

103

IMPLEMENTATION OF INDIAN GAMING REGULATORY ACT

Y 4.R 31/3: 103-17/PT. 4

Implementation of Indian Gaming Reg...

HEARING

BEFORE THE

SUBCOMMITTEE ON
NATIVE AMERICAN AFFAIRS

OF THE

COMMITTEE ON
NATURAL RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

IMPLEMENTATION OF PUBLIC LAW 100-497, THE INDIAN GAMING
REGULATORY ACT OF 1988

HEARING HELD IN ONEIDA, WISCONSIN
JUNE 27, 1993

Serial No. 103-17, Part IV

Printed for the use of the Committee on Natural Resources



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IMPLEMENTATION OF P.L. 100-497, THE INDIAN GAMING REGULATORY ACT OF 1988

SUNDAY, JUNE 27, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATURAL RESOURCES,
SUBCOMMITTEE ON NATIVE AMERICAN AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 3:26 p.m., at the Norbert Hill Center Auditorium, N7210 Seminary Road, Oneida, Wisconsin, the Hon. Bill Richardson (chairman of the Subcommittee) presiding.

STATEMENT OF HON. BILL RICHARDSON

Mr. RICHARDSON. The Subcommittee will come to order.

This is the fourth in a series of oversight hearings the Subcommittee on Native American Affairs is conducting on the implementation of the Indian Gaming Regulatory Act. This oversight function of the Congress is one the Committee takes very seriously. Through these series of hearings, the Committee will make the determination as to how the Act is working and whether any change is needed. We are not discussing legislative proposals at this time. We are taking in as much information on this matter as we can before we make any decision on this Act.

Today we will hear from tribal and State officials from Wisconsin to get their slant on the Indian Gaming Regulatory Act. We will look at the impact that this form of economic development has had on the Oneida Reservation. We will hear the views of State and county officials. We will take testimony from the National Congress of American Indians and other tribal leaders from Wisconsin. In addition, we hope to learn about security measures in the gaming establishments. Finally, we will hear from two witnesses from South Dakota on the gaming issues that have arisen.

Before beginning, I wish to thank the Oneida Nation and its chairman for their hospitality and for the assistance to the Subcommittee in putting this hearing together.

We have a long series of witnesses today. I would ask that witnesses summarize their statements. All of your statements will be fully submitted in the record.

Without objection, I ask that the summary of the Indian Gaming Regulatory Act be made part of the record.

[The summary follows.]

SUMMARY OF THE INDIAN GAMING REGULATORY ACT

On October 17, 1988, the President signed into law the Indian Gaming Regulatory Act, Public Law 100-497, 25 U.S.C. 2701 et seq. The Act provides a system for the regulation of gaming on Indian lands by dividing gaming into three classes, establishing the National Indian Gaming Commission to regulate Class II gaming and authorizing compacts between tribes and states for the regulation of Class III gaming.

Class I Gaming

Class I gaming includes social or traditional gaming which is played in connection with tribal ceremonies or celebrations. Class I gaming is regulated exclusively by the tribes.

Class II Gaming

Class II gaming includes bingo and, if played at the same location as bingo, pull tabs, lotto, punch boards, tip jars, and instant bingo. Class II gaming also includes card games which are authorized by state law or not explicitly prohibited by state law and played at any location in the state. The card games must be played in conformity with state law or regulations regarding hours of operation and pot limits.

A tribe may engage in Class II gaming if the state in which the tribe is located permits such gaming for any purpose by any person, organization or entity. Class II gaming is regulated by the National Indian Gaming Commission and the tribe or solely by the tribe if issued a certificate of self-regulation.

Class III Gaming

Class III gaming includes all gaming not included in Class I or Class II, such as casino-type games, gambling devices, pari-mutuel betting, etc.

Class III gaming is prohibited unless authorized by a tribal-state compact.

Class III Gaming and Tribal-State Compacts

Class III gaming is lawful when it is authorized by a tribal ordinance approved by the chairman of the Commission, is located in a state that permits such gaming (whether for charitable, commercial, or governmental purposes), and is conducted in conformance with a tribal-state compact which has been approved by the Secretary of the Interior.

The Act authorizes an Indian tribe and the state in which the tribe is located to enter a compact governing gaming activities. The compact may include provisions concerning: the application of

tribal or state criminal and civil laws directly related to gaming, the allocation of jurisdiction between the state and the tribe, state assessments to defray the costs of regulating the activity, taxation by the tribe in amounts comparable to state taxation, remedies for breach of contract, standards for the operation and maintenance of the gaming facility, and any other subjects related to the gaming activity.

The state is not authorized to impose a tax or assessment (except assessments that are agreed to) upon a tribe or person authorized by a tribe to conduct a gaming activity. The state cannot refuse to negotiate a compact based on its inability to impose a tax, fee, or other assessment.

The federal districts courts are vested with jurisdiction over: actions by Indian tribes arising from the failure of a state to negotiate with a tribe seeking to enter a compact or to negotiate in good faith, any action by a state or tribe to enjoin a Class III activity which violates the tribal-state compact.

A tribe may initiate an action for failure to negotiate in good faith against a state only after the passage of 180 days from the date the tribe requested the state to enter negotiations for a compact. If the court finds that the tribe has failed to negotiate in good faith, it shall order the state and the tribe to conclude a compact within 60 days.

If the state and the tribe fail to conclude a compact within the 60-day period, the parties are to submit a court-appointed mediator their last best offers for a compact.

The Secretary of the Interior is authorized to approve tribal-state compacts. The Secretary may disapprove a compact if it violates: the Act, any other federal law that does not relate to jurisdiction over Indian gaming, or the trust obligations of the United States to Indians. The compact takes effect once the Secretary publishes a notice in the Federal Register that the compact has been approved.

Gaming on Indian Lands after Enactment

Gaming is prohibited on land acquired by the Secretary in trust for an Indian tribe after the date of enactment of the Act unless: (1) the land is within or contiguous to the tribe's existing reservation boundaries; or (2) if an Oklahoma tribe, the lands are within the tribe's former reservation or the lands are contiguous to other land held in trust or restricted status for that tribe. This prohibition does not apply if the Secretary determines that a gaming facility would be in the best interests of the tribe and its members and would not be detrimental to the local community and the governor of the state concurs with the Secretary's determination. This prohibition also does not apply to

lands: taken in trust as part of a settlement of a land claim, comprising the initial reservation of a tribe federally acknowledged, or restored to a tribe that has been restored to federal recognition.

National Indian Gaming Commission

Composition

The Commission is composed of three full-time members with the Chairman appointed by the President and the other two members appointed by the Secretary of the Interior. Two of the three Commissioners must be members of federally recognized Indian tribes and no more than two members can be of the same political party. The Chairman of the Commission is Anthony J. Hope. The two Commissioners are Jana McKeag and Joel Frank.

Powers of Chairman

The Chairman is empowered to: (1) issue temporary closure orders; (2) levy civil fines; (3) approve tribal gaming ordinances; and (4) approve management contracts. The Chairman is also vested with such powers as the Commission may delegate.

Powers of the Commission

The Commission is vested with the following powers which cannot be delegated: (1) approve the annual budget; (2) adopt regulations for civil fines; (3) adopt an annual schedule of fees; (4) authorize Chairman to issue subpoenas; and (5) permanently close a gaming activity.

The Commission is vested with the following additional powers: (1) monitor gaming activities; (2) inspect gaming premises; (3) conduct background investigations; (4) inspect records related to gaming; (5) use the U.S. mails; (6) procure supplies; (7) enter into contracts; (8) hold hearings; (9) administer oaths, and (10) promulgate regulations.

Tribal Self-Regulation

A tribe may petition the Commission for a certificate of self-regulation if it has been engaged in a Class II activity continuously for a three-year period with at least one of the years being after the date of enactment of the Act and has otherwise complied with the Act. The Commission may issue the certificate if it is satisfied that the tribe has:

(1) conducted the gaming activity in a manner that has resulted in an honest accounting of all revenues, has a reputation for a safe and honest operation, and is generally free of evidence of criminal or dishonest activity;

(2) adopted and is implementing an adequate system for: accounting of revenues, investigation, licensing, and monitoring of employees, and investigation, enforcement, and prosecution for violations of its gaming laws; and

(3) conducted the gaming activity on a fiscally sound basis.

Management Contracts

The Chairman may approve a management contract if it provides: (1) adequate accounting procedures; (2) access by tribal officials to the gaming operations in order to verify the daily gross revenues and income; (3) a minimum guaranteed payment to the tribe that has preference over the retirement of development and construction costs; (4) a ceiling for the repayment of such costs; (5) a maximum term of 5 years or, at tribal request, 7 years; and (6) grounds and procedures for terminating the contract.

The management fee cannot exceed 30 percent of the net revenues unless the tribe requests a higher percentage. The Chairman may approve a higher percentage, not to exceed 40 percent, if a higher percentage is justified based on the capital investment and projected income.

All existing ordinances and management contracts, whether or not approved by the Secretary, must be submitted to the Chairman.

Commission Funding

The Commission is authorized to assess each game a fee which is based on a sliding fee scale from one-half of one percent to two and one-half percent on the first \$1,500,000 of gross revenues and up to five percent of amounts over \$1,500,000. The total amount of fees which the Commission can assess in any fiscal year is limited to \$1,500,000. The Commission is authorized to request appropriations in an amount equal to the annual assessment. Section 8. Thus, the commission's annual budget cannot exceed \$3,000,000 (\$1,500,000 from assessments and \$1,500,000 from appropriations). There is authorized to be appropriated in an amount not to exceed \$2,000,000 for the first fiscal year.

Mr. RICHARDSON. My name is Bill Richardson. I am a Member of Congress from the State of New Mexico. I am the chairman of this Subcommittee, first instituted in January of this year. I am very pleased to have with me your own Congressman, a man who has an outstanding record on many issues in the Congress, and I know he cares deeply about this issue. We have talked about it many times. He, unfortunately, has a plane to catch later this evening and won't be able to stay for the duration of the hearing because we have some early votes tomorrow. I would like to welcome him—your own Member of Congress, Toby Roth.

[Applause.]

Mr. ROTH. I thank you very much, Chairman Bill Richardson. You have come a long way. New Mexico is a long way from here. We want you to know we appreciate what you are doing. I want the people here to know that this man speaks up for you in Congress, and it is a delight to have you here with us today, Bill.

STATEMENT OF HON. TOBY ROTH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. ROTH. Mr. Chairman, I welcome you and join others in welcoming you to this meeting here today. I offer a special thanks to Chairman Hill and the Oneida Nation, and to Chairman Miller of the Menominee Nation. Both of these Tribes, as you know, are located in my Congressional District.

Today's hearing is very important for several reasons.

It is the first time we have had a hearing on Indian land. We have come to Oneida to get a different perspective.

We are here to see, firsthand the effects, good and bad, that gaming has had on the Tribe and the community as a whole.

Indian gambling has been a controversial issue in Wisconsin and throughout the United States.

While we must help the Tribes become more self-sufficient, many people feel that gaming is not the best way to reach that goal. That is why we are here today, to examine the risks and the benefits associated with Indian gaming.

Does it truly benefit the Tribes?

Are the people getting better services—improved housing and health care? New schools and new roads?

Most importantly, what is the real cost of these benefits?

It has been said that gaming opens the door to organized crime. We must keep an eagle eye out for corruption.

Furthermore, we must be on guard against other undesirable elements. How do we prevent the casinos from attracting riff-raff?

Finally, what is the overall effect on the community as the whole? I want to know what benefits or drawbacks gaming has beyond the borders of the reservation.

Mr. Chairman, I thank you for this invitation today and I am delighted to be here.

Our hosts, the Oneida Nation, run one of the most successful operations in the United States. I look forward to hearing their testimony and also the testimony from other witnesses.

Thank you.

Mr. RICHARDSON. I would like to now recognize the distinguished chairman of the Oneida Nation, also the president of the National

Indian Gaming Association and our host, the Honorable Rick Hill. Mr. Chairman, welcome. Thank you and we look forward to your testimony.

PANEL CONSISTING OF HON. RICHARD G. HILL, CHAIRMAN, ONEIDA INDIANS OF WISCONSIN, AND CHAIRMAN, NATIONAL INDIAN GAMING ASSOCIATION; MARY ELLEN HAYES, DIRECTOR, ONEIDA EARLY CHILDHOOD PROGRAM; SHERRY MOUSSEAU, PRINCIPAL, ONEIDA TRIBAL SCHOOL; AND ART SKENADORE, GENERAL MANAGER FOR TRIBE

STATEMENT OF RICHARD G. HILL

Mr. HILL. Thank you, Mr. Chairman. It is an honor and a privilege to have both yourself and representative Toby Roth here on our territory for this important hearing. I think because of that, I just want to say a short prayer for this moment, because it is the way we traditionally do things here in our territory, and we think it is most appropriate that we would have some spiritual help as we go through this battle. So, I would like to open up with a short prayer here.

At this time I would like to return thanks to the earth for the pools of water, the medical streams and the herbs, for the great winds and the lesser winds, for the sun, the mighty warrior, for the grandmother moon, who helps control the life cycle of our women, who helps make our medicines grow. Grandfather, at this particular time, I would like to return thanks for all of the many blessings you have given our people at this time. Grandfather, a special thanks that we could have our representatives here on this day for this special occasion here in our territory. Also, grandfather, I want to be thankful for all of the other brother nations that have come here on this particular day, for this issue before us is very important for our survival, to help build our economies, to help build our governments, to make us strong and self-sufficient, grandfather.

I pray that you could have pity on all of the leaders today, grandfather, and all of their families, for these people spend a lot of time on the road, away from their families, away from their loved ones, fighting the causes and fighting the issues for Indian people, grandfather, for all of the peoples of this land, grandfather.

I pray that we could all come together, grandfather, and help heal this country, grandfather. It starts with the first American, grandfather. We are the first indigenous people of this land, grandfather. They could come and help it heal. It starts with us, grandfather, that we be treated with respect and dignity and honor, that we could all come together, grandfather. We will have the States be our first ally, as well as the Federal Government, grandfather, that you could see that this could happen for us, grandfather—that things could be changed, that we would recognize and look each other in the eye as true brothers and sisters and come together, standing shoulder to shoulder to help heal this Nation, grandfather.

We pray for all of the other many blessings you have given us on this day, grandfather, for there are many good things happening. We ought to offer prayers for all of the people that are less fortunate than us on this day, grandfather, people that are in prisons,

people that are in hospitals, people that are homeless, grandfather, that you could nourish them, grandfather, that you could bring some good thoughts, bring some hope and happiness into their hearts and into their minds, grandfather.

We pray to have pity on all of these people, grandfather, and comfort them the best way that you can on this day. Grandfather, for all of the people who walk on this red road, grandfather, I pray to you keep them strong in their ceremony, grandfather. Keep them together. That is the bonding that we all have as Indian people, grandfather. All of the peoples, grandfather, it is our spiritual strength that ties us all together, grandfather, as we humble ourselves and find our place in this creation, grandfather.

We are thankful for all of these many blessings, grandfather, on this particular day. Also, grandfather, I want to thank you for this gathering once again. We pray for all of the people that are the messengers of the creator, and to the creator above, who is the source and ruler of health and life, Gani.

Mr. RICHARDSON. Before the Chairman makes a statement, I would like to recognize that attending the hearing is Marlene Mielke, a representative from your Senator, the Honorable Herb Kohl. Welcome, Marlene. It is nice to see you.

Mr. Chairman, please proceed.

Mr. HILL. Thank you.

Chairman Richardson, and members of the Committee, my name is Richard Hill. I am the chairman of the Oneida Nation of Wisconsin and of the National Indian Gaming Association. I am most pleased that you are able to come to our territory and see firsthand how gaming revenues can be successfully and appropriately managed and produce needed positive changes in the Indian community. We are proud of the accomplishments, and we hope that you will take the time to see the many developments which gaming dollars have enabled us to realize.

As a person who came to the Oneida Reservation in my youth, I have lived in a house warmed with wood heat, which had no plumbing or running water. The shower required that the family go to the local mission, where we paid 25 cents for the privilege of using their facilities. I know where Oneida has been, and I know how much gaming income means to our people.

One of the ways in which we use our income is this quest to reacquire our lands within the Reservation boundaries. Nearly all of our lands here in Wisconsin have been taken between the years of 1892 and 1990, when we were victimized by the Dawes Allotment Act. Nearly one-third of our people spoke no English and none of our people had owned land individually. Therefore, we were vulnerable and swindled with frauds.

Being good neighbors, we have not pursued legal actions against those of this generation; but, rather, with the funds that we now have we are repurchasing our lands from those interested in selling. We are buying back our land base to ensure a place for future generations. On our lands we now have a nursing home, our elementary school, our library, our health center, sewer system, water towers and numerous other construction activities which are impacted by gaming revenues.

Over 1,500 employees and the numerous social service, cultural, economic development, and other service programs provided to our members all receive some benefit from the dollars generated by gaming. As a tribally managed business, all income generated is maintained by the Oneida Tribe. As you can see, the dollars are making a difference.

Economist James Murray has pointed out that this Nation only aids itself, but it also has approximately a \$240-million impact on Brown and Outagamie Counties. This significant boost in the economies of these counties and the hundreds of non-Indians which we employ is simply an added benefit. Wisconsin prides itself on the reduction of unemployment. Fifteen hundred of these jobs, which have been contributed to the State's favorable statistics, are proven by the Oneida's alone. Indian gaming is a growth industry that is a win-win proposition in this and other states where compacting has been successfully conducted.

In the Oneida's testimony provided by our vice chairman, Debra Doxtator, before your Subcommittee, April 2, 1993, we have shown conclusively that gaming works for the Oneida Nation. Not wanting to restate what has already been shared, I simply ask that you revisit this information. It is appropriate to note, however, that the bottom line continues to be that gaming works and that of all the schemes devised by the Federal Government, since Chief Justice John Marshall in 1822 decisions—that Indian nations are domestic, dependant nations—gaming has been the only approach that has come close to meeting the Federal Government's obligations to the nations.

The Oneidas fought alongside the British in the French Indian War. They fought alongside the colonists against the British in the Revolutionary War. President George Washington said that "were it not for the aid of the Indians, the war would have been lost." Our men and our women have served in every military action undertaken by the United States and have served with distinction and have died in numbers on a percentage basis greater than that of the majority population. Even though not citizens—the Indian Citizenship Act was not passed until 1924, and even then in Wisconsin, we were denied the vote for three more years because Governor Zimmerman vetoed the state constitutional change saying "it sounded dangerous legislation to him"—we have served the Oneidas and Indian people from all nations and have honorably served our nations and the States; but to what end?

For Wisconsin Oneidas, by 1970, nearly 140 years since the Marshall pronouncement, which proclaimed that the Federal Government would have the responsibility for protecting the interests of Indian nations within the borders of the United States, our people have been illegally dispossessed from our lands in New York, were forced to Wisconsin, had our tribally held lands continually eroded and our economies all but decimated. One-third of our people lived in substandard houses—no electricity, no plumbing or both. Nearly one-third of our roads were unpaved. Our operating budget was approximately \$40,000, and we had four employees. Our average educational attainment was the eighth grade. Virtually all of our members had to go off of the reservation for employment. Nationally, in 1970, there was one BIA employee for every 10 reservation Indians.

We were not wanting for advice, but for the protections and benefits which had been assured when the United States and the Indian nations were at the bargaining tables over the land base of the country were, shall we say, slow in coming.

Since the advent of gaming, our situation has been changing dramatically. As the employer of 1,500 employees, with a payroll of \$26 million in 1993, we are succeeding. As noted above, our impact on the surrounding communities, as well as our reservation, has been dramatic. Our success story has a dark cloud. Some, proclaiming to be representing the interest of the States and gaming tycoons, eye the 3 percent of the Indian gaming industry as a threat. Although the private sector reaps approximately 60 percent of this income to line their personal pockets, the Indian nations, whose governments are relying on these funds for their infrastructure and development, are being made out to be the bad guys once again. A 1950s cowboys-and-Indians mentality seems to be taking over.

The arguments range from poor, backward Indians who must be protected, to the fierce savage Indians who take the gaming industry from the cowboys in the white hats. When the Airport Commission wanted to condemn the land where the Radisson now sits, the chair of that body was quoted as saying in the press: "What are you going to do with that land, build a moccasin stand?" Many of you are lodging in our premier moccasin stand. Can Indians develop, succeed and self-regulate? We trust your eyes tell you better than our words.

Months ago, the National Association of Attorneys General, particularly the Conference of the Western Attorneys General and the National Governors Association, came forward with requests for actions that would have gutted the Indian gaming and would have cut off the States' financial noses at the same time. Legal analysis of this report which was developed showed that it was littered with half-truths and inaccuracies and has since been denounced by the national association. Discussions among tribal leaders and governors are also showing promise with education and dialogue through the process initiated by Senator Inouye, the potential for attainment of amicable and mutually beneficial understandings and outcomes.

Our perception of the Reid and Torricelli actions is that of an eleventh-hour raid on Indian encampment, quickly before the treaty can be signed. Same tactics, yet another generation. Our intent is to move forward with honor and continued commitment to our people. We move ahead with knowledge of the greatness of our history, the historic and contemporary attacks upon our people and government, and the responsibilities which we hold for those in the seven generations. We will be successful.

The following panel is comprised of three people who are helping shape our vision of the future. Sherry Mousseau is the administrator of the Oneida Tribal School; Mary Ellen Hayes is the director of the Oneida Early childhood Head Start Programs; and Skenadore, Jr., is our general manager. It is in the interest of time that we are not bringing forth many others who could speak about the areas impacted by gaming revenues, health, housing, et cetera. These three representatives of our Tribe will give you some insight

about the extent to which our gaming revenues are building and sustaining our community.

In closing, I wish to thank you for coming to the reservation and sharing this experience with you. If there is anything that we can do to make your stay a little more pleasant, we would be delighted to do so.

I think it is quite significant, Mr. Chairman, about all of the tangible benefits, and yet we will hear testimony about the intangible benefits of Indian gaming. I think that gaming has brought a lot of people to our community where people normally would not come to our reservation. We have over a million customers that pass through our facility presently. I think they enjoy a form of entertainment they normally would not be accustomed to. Also, I would say that the other intangible things people do not notice is the cooperative effort we have through all the multi-jurisdictional things that we have presently. Also, I would like to mention the local units of government and their help in building stronger government-to-government relationships. So, I think there is a lot of healing that goes on when people interact and share cultures, also, on the government side, on the humanitarian side. There are many many many benefits that certainly outweigh downside or any fears that Senators Torricelli, Reid, or any of the people on the Hill are promoting. I do not think those are real. All of the other fears that Donald Trump was trying to promote also, I think those are very inaccurate. They are promoting fear that has been substantiated in previous testimony by oversight hearings by the Senate in reference to any criminal influence into the gaming industry. Justice had reported there had been no indicators that there has been any element of organized crime.

So, what has always been said to us which I really like is that there is no organized crime, there is no unorganized crime, there is no disorganized crime on reservations. The only thing people are afraid about is having organized Indians champion a cause to fight what is rightfully ours. So, thank you.

[Prepared statement of Mr. Hill and attachments follows:]

Testimony of Richard G. Hill,
Chairman of the Oneida Nation of Wisconsin
and
Chairman of the National Indian Gaming Association

Before the Subcommittee on Native American Affairs
of the
House Natural Resources Committee
on
Issues in Indian Gaming

June 27, 1993

Chairman Richardson and Members of the Committee, my name is Richard G. Hill and I am Chairman of the Oneida Nation of Wisconsin and the National Indian Gaming Association. I am most pleased that you were able to come to our territory and see first-hand how gaming revenues can be successfully and appropriately managed to produce needed positive change in an Indian community. We are proud of our accomplishments, and we hope that you will take the time to see the many developments which gaming dollars have enabled us to realize.

As a person who came to the Oneida Reservation in my youth, I first lived in a house warmed by wood heat which had no plumbing or running water. To shower required that our family go to the local mission where we paid twenty-five cents for the privilege of using their facilities. I know what Oneida has been, and I know how much gaming income means to our people.

One of the ways in which we use our income is in the quest to reacquire some of our lands within the reservation boundaries. Nearly all of our lands here in Wisconsin were taken between the years of 1892 and 1900 when we were victimized by the Dawes Allotment Act. Nearly one-third of our people spoke no English and none of our people had owned land individually--therefore we were vulnerable to swindles and fraud. Being good neighbors, we have not pursued legal action against those of this generation, but rather with the funds which we now have, we are repurchasing our lands from those interested in selling. We are buying back our landbase to ensure a place for our future generations.

On these lands are our nursing home, our elementary school, our library, health center, sewer system, water towers, and numerous other construction activities which are all impacted by gaming revenues. Of our fifteen hundred employees and the numerous social service, cultural, economic development, and other services/programs provided to our members, all receive some benefit from the dollars generated by gaming. As a tribally-managed business, all income generated is maintained by the Oneida tribe, and, as you can see, the dollars are making a difference.

Economist James Murray has pointed out that this nation not only aids itself, but it also has an approximately \$240 million impact on Brown and Outagamie Counties. This significant boost to the economies of these counties and the hundreds of non-Indians which we employ is simply an added benefit. Wisconsin prides itself on the reduction of unemployment. Fifteen hundred of the jobs that have contributed to the state's favorable statistics are provided by Oneida alone. Indian gaming is a growth industry that is a win-win proposition in this and other states where compacting has been successfully conducted.

In Oneida's testimony provided by our Vice-Chairperson Debra Doxtator before your subcommittee on April 2, 1993, we showed conclusively that gaming works for the Oneida Nation. Not wanting to restate what has already been shared, I simply ask that you revisit that information. It is appropriate to note, however, that the bottom line continues to be that gaming works, and that of all the schemes devised by the federal government since Chief Justice John Marshall's 1832 decision (that Indian nations are "domestic dependent nations"), gaming has been the only approach which has come close to meeting the federal government's obligations to these nations.

Oneidas fought alongside the British in the French Indian War, they fought alongside the Colonies against the British in the Revolutionary War, and President Washington said that "Were it not for the aid of the Indians the War would have been lost." Our men and women have served in every military action undertaken by the United States, have served with distinction, and have died in numbers on a percentage basis greater than that of the majority population. Even though not citizens (the Indian Citizenship Act was not passed until 1924, and even then in Wisconsin we were denied the vote for three more years because Governor Zimmerman vetoed the state constitutional change saying it "sounded like dangerous legislation to him"), we have served. Oneidas and Indian people from all nations have honorably served our nations and the United States...but to what end?

For Wisconsin Oneidas, by 1970, nearly one hundred and forty years since the Marshall pronouncement which proclaimed that the federal government would have responsibility for protecting the interests of the Indian nations within the borders of the United States, our people had been illegally dispossessed of our lands in New York, were forced to Wisconsin, had our tribally-held lands continually eroded, and our economy all but decimated. One-third of our people lived in substandard homes (no electricity, no plumbing, or both), nearly one-third of our roads were unpaved, our operating budget was approximately \$40,000 and we had four employees. Our average educational attainment was eighth grade, and virtually all of our members had to go off of the reservation for employment. We did, however, have a BIA agent present to share his wisdom at each of our Business Committee meetings. Nationally, in 1970, there was one BIA employee for every ten reservation Indians. We were not wanting for advice, but the protections and benefits which had been assured when the U.S. and the Indian nations were at the bargaining tables over the land base of the country were, shall we say, slow in coming.

Since the advent of gaming our situation has been changing dramatically. As the employer of 1,500 employees with a payroll of \$26 million (1993), we are succeeding. As noted above, our impact on the surrounding communities as well as our reservation has been dramatic. But our success story has a dark cloud. Some proclaiming to be representing the interests of the states and gaming tycoons eye our 3% of the gaming industry as a threat. Although the private sector reaps approximately 60% of the income to line their personal pockets, the Indian nations whose governments are reliant on these funds for their infrastructure and development are being made out to be the bad guys once again. A 1950's cowboys and Indians mentality seems to be taking over.

The arguments range from the poor backward Indians who must be protected to the fierce savage Indians who would take the gaming industry from the cowboys in the white hats. When the Airport Commission wanted to condemn the land where our Radisson Hotel now sits, the chair of that body was quoted in the press as saying, "What are they going to do with that land...build a moccasin stand?" Many of you are lodging in our premier moccasin stand. Can Indians develop, succeed, and self-regulate? We trust that your eyes tell you better than our words.

Months ago, the National Association of Attorneys General (particularly the Conference of Western Attorneys General (CWAG)) and the National Governors Association came forward with requests for actions that would have gutted Indian gaming and would cut off the states'

financial noses at the same time. Legal analysis of the report which CWAG developed showed that it was littered with half truths and inaccuracies, and it has since been denounced by the national association. Discussions among tribal leaders and governors are also showing promise. With education and dialogue through the process initiated by Senator Inouye, there is potential for attainment of amicable and mutually-beneficial understandings and outcomes. Our perception of the Reid and Torricelli actions is that of an eleventh hour raid on the Indian encampment--quickly before the treaty can be signed. Same tactics, yet another generation. Our intent is to move forward with honor and continued commitment to our people. We move ahead with knowledge of the greatness of our history, the historic and contemporary attacks upon our people and government, and the responsibilities which we hold for those in seven generations. We will be successful.

The following panel is comprised of three people who are helping shape our vision of the future. Ms. Sheri Mousseau is the Administrator of the Oneida Tribal School. Ms. Mary Ellen Hayes is the Director of Oneida's Early Childhood Programs. Mr. Artley Skenandore, Jr., is our General Manager. In the interest of time we are not bringing forward the many others who could speak about other areas impacted by gaming resources (e.g. health, housing, etc). These three representatives of our tribe will give you some insights about the extent to which our gaming resources are building and sustaining our community.

In closing, I wish to thank you for coming to our reservation, listening to what we and others have to share about this most important economic resource. If there is anything that we can do to make your visit more informative or pleasant, we are at your disposal.



Oneidas bring several hundred bags of corn to Washington's starving army at Valley Forge and the colonists had consistently refused to aid them.

Oneida Tribe of Indians of Wisconsin

Post Office Box 365

Phone: 869-2214



Oneida, WI 54155



UDWA DEMOLUAM - Because of the many Oneida Chief in ceremonies friendship between nations and the of Pennsylvania a nation the United States made possible

FINANCE PLANNING COMMITTEE DONATIONS JUNE 11, 1993

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. | Boys & Girls Club of Green Bay
Lisa Ruohomaki
Resource Development Director
P.O. Box 8145
Green Bay, WI 54308-8145 | \$500 |
| 2. | American Indian Veteran's Center, Inc.
212 Plymouth Building
6th Street & Hennepin Ave.
Minneapolis, Minnesota 55402 | \$1,000 |
| 3. | Harvard University Graduate School
of Education
Harvard Native American Program
Read House, Appian Way
Cambridge, MA 02138 | \$500 |
| 4. | Salvation Army of Green Bay
Major Eugene Adney
Corps Community Center
626 Union Court
Green Bay, WI 54303 | \$500 |



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge after the colonists had consistently refused to aid them.

Oneida Tribe of Indians of Wisconsin

Post Office Box 365

Phone: 869-2214



Oneida, WI 54155



UGWA DEMOLUUM YATE: Because of the help of the Oneida Chief in cementing a friendship between the Six Nations and the Colonists of Pennsylvania, a new nation, the United States, was made possible.

FINANCE PLANNING COMMITTEE DONATIONS APRIL 23, 1993

1. Salvation Army \$4,000
Lois Dalke, Chairperson
Seymour Salvation Army Unit
355 West High
Seymour, WI 54155
Fed. I.D.# 56-2167910
2. United Way of Brown County \$3,800
Chuck Johnson
P.O. Box 1593
Green Bay, WI 54305
Fed. I.D.# 39-0806299
3. Phoenix Fund \$100
Kenneth D. Krueger
Wipfli Ulrich Bertelson CPAs
414 S. Jefferson Street
P.O. Box 1957
Green Bay, WI 54305-1957
Fed. I.D.# 39-0743975
4. Waters for Green Bay Tomorrow \$2,500
Ben Laird, Treasurer
Godfrey & Kahn
P.O. Box 13067
Green Bay, WI 54307
Fed. I.D.# 39-1705985

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May 14, 1993
Page Two

6.	Vision of Race Unity, Inc. Fair Housing Council P.O. Box 605 Green Bay, WI 54305	\$2,000
7.	Salvation Army 4757 North 76th Street Milwaukee, WI 53218	\$221.90
8.	American Diabetes Association 2949 North Mayfair Road, Suite 306 Milwaukee, WI 53222	\$1,000
9.	Salvation Army Corps Community Center 626 Union Court Green Bay, WI 54303	\$100



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge after the colonists had conservatively refused to aid them.

Oneida Tribe of Indians of Wisconsin

Post Office Box 365

Phone: 869-2214

Oneida, WI 54155



GWA DEMOLUN KATCHE
Because of the help of the Oneida Nation in cementing a friendship between the Six Nations and the Colon of Pennsylvania a new hope for the United States was made possible.

FINANCE PLANNING COMMITTEE DONATIONS MAY 14, 1993

- | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. | Einstein Project
Dr. Hugh Allan,
Educational Consultant
1676 Forest Glen
Green Bay, WI 54304 | \$2,000 |
| 2. | AISES - St. Norbert College
Bonnie Berken, Director
AISES-St. Norbert College
American Indian Summer Math Camp
St. Norbert College
DePere, WI 54115-2099 | \$2,000 |
| 3. | Fallen Timbers Environmental Center
Dr. Hugh Allan, Educational Consultant
1676 Ford Glen
Green Bay, WI 54304 | \$1,000 |
| 4. | American Indian Center Pow-Wow
Joe Peralez, Pow-Wow Chairman
American Indian Center
1630 West Wilson
Chicago, Illinois 60640 | \$200 |
| 5. | Civic Music Association
Robert H. Schroeder
2818 St. Ann Drive
Green Bay, WI 54311-5828 | \$200 |

FPC Donations
 April 23, 1993
 Page Two

5. Green Bay Symphony \$500
 Frederick J. Schmidt, President
 Board of Trustees
 P.O. Box 222
 Green Bay, WI 54305-0222
 Fed. I.D.# 39-6061378
6. Cerebral Palsy. Inc. \$5,000 for capital drive
 Maggie Krueger, Executive Dir. \$800 for organization
 2801 South Webster
 Green Bay, WI 54301 \$5,800 - Total
 Fed. I.D.# 39-0901265
7. UW Madison American Indian \$200
 Alumni Committee
 650 North Lake Street
 Madison, WI 53706
 Fed. I.D.# 23-7125279
8. Timber Wolf Alliance \$2,500
 Susan Cook, Coordinator
 Sigurd Olson Environmental Institute
 Northland College
 Ashland, WI 54806-9989
 Fed. I.D.# 39-730442-F
9. Legal Services of Northeastern \$1,500
 Wisconsin, Inc.
 Daniel Tuchscherer, Executive Director
 417 Pine Street
 Green Bay, WI 54301
 Fed. I.D.# 39-1046046
10. Unite Now Indian Olympic Nation \$4,000
 Stephen P. Lopez, President
 Box 682
 Bedford, MA 01730
 Fed. I.D.# 95-2380606

FPC Donations
 April 23, 1993
 Page Three

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 11. | Literacy Council
Bea Berger
Brown County Library
515 Pine Street
Green Bay, WI 54301-5194
Fed. I.D.# 39-1383597 | \$500 |
| 12. | The National Railroad Museum
Judy Wagenblast, President
Board of Directors
2285 South Broadway
Green Bay, WI 54304-4832
Fed. I.D.# 39-6031429 | \$200 |
| 13. | Special Olympics
Dennis Alldridge, Executive Director
5900 Memorial Drive
Suite 301
Madison, WI 53716
Fed. I.D.# - 39-1176591 | \$200 |
| 14. | Wisconsin Children's Program
of Northern Ireland, Inc.
Maureen Christofferson
1624 South Irwin
Green Bay, WI 54301
Fed. I.D.# - 39-1595404 | \$200 |
| 15. | HONOR
Sharon Metz, Director
2647 North Stowell Avenue
Milwaukee, WI 53211
Fed. I.D.# - 39-1697263 | \$5,000 |
| 16. | Family Violence Center
Susan Finco
Capital Campaign Co-chair
1725 Dousman Street
Green Bay, WI 54307
Fed. I.D.# - 39-1342659 | \$4,000 |

GAMING IMPACT

A POSITIVE STEP FOR
THE SEVENTH
GENERATION



Oneida Nation 1993

Capital Improvements



Casino Expansion - \$39 Million

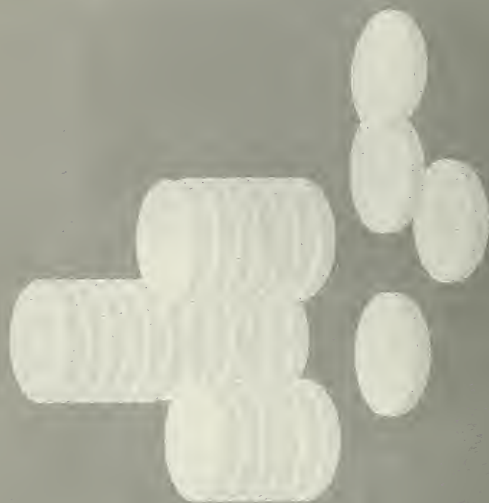
- Projected Completion Date - January 1994
- Direct Employment for 2000 people
- Construction expands Economic impact
- Vendors - Multiplier Effect

DIVERSIFICATION STRATEGY

- Our future is secured through our efforts to diversify our opportunities and ventures
- Commitment to train and utilize our human resources
- Economic partnership at the regional level

DIRECT ECONOMIC IMPACT

- IN EXCESS OF 98
MILLION IN DIRECT
IMPACT
- MULTIPLIER EFFECT
OF PROJECTS - 392
MILLION



DIVERSIFYING OUR FUTURE

- RADISSON
EXPANSION
11.2 MILLION
- RETAIL EXPANSION
1.1 MILLION
- COMMERCIAL
DEVELOPMENT
5 MILLION



GAMING SUPPORTS:

- TRIBAL SCHOOL
10.5 MILLION
- 2 DAYCARE
FACILITIES
2.0 MILLION
- ELDERLY CARE
4.4 MILLION
- HEALTH CARE
2.5 MILLION

IMPROVING COMMUNITY

- SEWER SYSTEM
2.7 M
- ROAD UPGRADES
2.0 M
- HOUSING 1.0 M



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The Future of Our Nation

Education, Health,
and Family Stability



Mr. RICHARDSON. Thank you very much.

The Chair recognizes Ms. Mary Ellen Hayes, the director of the Oneida Headstart Program. Ms. Hayes, welcome.

STATEMENT OF MARY ELLEN HAYES

Ms. HAYES. Thank you, Mr. Chairman. Greetings from some of my compatriots in New Mexico, by the way. I enjoyed listening to Rick's words because so many of them are also common to my Tribe. I am not a member of this Tribe, but I am four-fourths Irish. We go in blood quantum.

For the fiscal years 1992 and 1993, the Oneida Early Childhood Headstart Department will receive \$352,921 from gaming enterprises for support for the two Headstart centers and the two present childcare centers. The funds are used for 18 additional over-income tribal children, incoming contributions and additional support for the other two existing childcare centers which operate on a sliding-fee scale. Some of our patrons are paying as little as \$6 a month. They must pay something, however. For the 1993-94 fiscal year, there will be an additional contribution in my budget of \$1,818,716 to build, furnish and staff a new childcare center for 100 children from 6 weeks to 10 years, the latter being after-school care. This will operate 24 hours a day, 7 days a week. The need for this is obvious, when our two present centers serve 50 children, with a waiting list of 83.

Additionally, we have no idea of how many children may be in jeopardy at this moment because of less than ideal childcare arrangements. To give you an idea of our funding sources, this is the breakdown of monies that we receive from the Federal Government, as well as the State government. We do have some support from the State of Wisconsin in Headstart—18 children, \$49,500; the Department of Health and Human Services, the American Indian Program Branch of Headstart—108 Headstart children, \$457,039; USDA Wisconsin for the Child Care Food Program, \$36,000; and the Department of Health and Human Services for the Child Development block grant for child care, \$96,000, for a total of \$638,539. That is a far cry from where it was in 1976 when I first came to the reservation. I believe my budget was 65,000, and there were 32 children, six full-time staff people, and one half-time bus driver. I was one of the big programs at that time, in 1976.

I have been the Early Childhood director since that time. In the beginning, as director, my task was simply to develop the programming for the young Oneida children that would support them and assist them in their preparedness or an equal opportunity in kindergarten. It soon became a constant quest to develop the funding to support the program as, in those days, the Tribe did not have too many financial resources. The unemployment rates were very high. High school drop-out rates were similar to those of other Tribes.

The Headstart Program was then, as I said, considered one of the larger programs. When the new child-care center is open, we will have grown from six and one-half people to 68 employees. Most of these will be tribal members. In 1976, we had the one center in the middle of the reservation. We had no way to assist in meeting the needs of tribal families who lived on the near west side of

Green Bay. In 1978, we took the opportunity to expand our Headstart services to a storefront on what I can only call "tavern row" in Green Bay, and also expanded services through an Indian Education Grant into a home project, as well as an additional classroom at the center.

As you probably knew, under Indian education, there is no income-eligibility, as there is in Headstart. This all worked very well for us, until our storefront center, leased from the city of Green Bay, for a dollar a year, was in danger of collapsing. Through another grant, we were able to get funds to purchase a three-classroom, modular building in 1991. Again, through our gaming enterprises, the Tribe was able to contribute an additional \$162,000 to complete that project, as well as contributing a double-wide trailer. These buildings were set up in land purchased by the Tribe through gaming revenues, a part of the newest tribal housing at the Three Sisters Subdivision. The three classrooms permitted us to expand further and also permitted us to establish the second child-care center, which is devoted to the care of just infants and toddlers.

That fairly well brings us up to the present. We have known that, with the expansion of the gaming enterprises, as well as the other tribal enterprises, and the overall age of the tribal members, that there is a strong need for additional child-care services. Twenty-five percent of those are in the infant category of the 83 that are on the present waiting list. Early in 1993, the Oneida Tribes set aside \$1,600,000 to build two additional centers, again, the gaming enterprises. Center one will need to be established for the casino employees, who need to know their children are well cared for at all hours of the day and night and weekends. It will be close enough to the worksite that families will be able to share the evening meal and prepare their own children for bed. We will promote these ideas in order to be a part of the family support system. The second center will be built in conjunction with the new Headstart Center, adjacent to the Tribal School. It will serve both Headstart and Tribal School children before and after school.

Again, it is important to emphasize the family concept for the children who will have brothers and sisters in the Tribal School, and Headstart or child care. We expect them to help in caring for each other. That is the tradition. As noted, to build and start up the operation of the first center, the cost is in excess of \$1.5 million.

The existing center in Oneida will remain in its present location as part of the planned tribal high school. Its primary clientele will be the babies born to the high school students. Unfortunately, this continues. In order to avoid having these young mothers dropping out of school, we will maintain the center as part of their school day, augmenting their regular studies with group counseling, family living, studies, and provide them the opportunity to work with their own child, under the tutelage of skilled providers. These children who have had a child need to learn to make appropriate choices and to plan for the future for themselves and their children, with the first step being high school completion.

All of the centers will continue to be maintained on a sliding-fee scale. Funding support for families will be sought from the various

AFDC sources as well as the child care development block grant. The balance of the support will need to be derived from the Oneida Tribe.

We are now emerging with a new problem for our preschool-aged children—the potential loss of Headstart. This income-eligible program does not permit earning a living wage. A family of three cannot earn in excess of \$5.72 an hour gross. If they do, they will lose their Headstart eligibility. If we could figure out how to do it, we could still feed them a free school lunch, but we would be forced to keep them out of the Headstart classroom.

A question that we are attempting to deal with nationally on Indian reservations is that simply because a family is earning a living wage on which they can support themselves, it does not necessarily follow that there are no other needs in that family. This is particularly true for many of our Oneida workers with their first job in perhaps more than a generation.

Headstart is a total family-oriented program that is much more than A-B-C and 1-2-3. It is a means of assisting families to long-term stability and future educational growth. I am only a long-time observer of this Oneida Tribe. Having worked along with these hard-working, intelligent people, they have shown every indication of wanting to be in charge of their own destiny. Their children are part of their destiny. Regardless of the outcome of other sources of funding, give them the chance to continue to move forward. This Tribe will support all of the early childhood endeavors. Their children will be their leaders, as well as being leaders in the majority society. We must nurture and teach them well.

Thank you.

[Prepared statement of Ms. Hayes follows:]

Testimony of Mary Ellen Hayes
Director of Oneida Early Childhood Program

Before the Subcommittee on Native American Affairs
of the
House Natural Resources Committee
on

Issues in Indian Gaming

June 27, 1993

For FY 1993-94, the ONEIDA EARLY CHILDHOOD HEAD START DEPARTMENT will receive \$352,921.00 from GAMING ENTERPRISES for support for the two Head Start Centers. These funds are used for 18 additional "Over Income" Tribal children In Kind Contributions and, additional support for the 2 existing Child Care Centers operated on a sliding fee scale.

For the 1993-1994 fiscal year, there will be an additional contribution of \$1,818,716 to BUILD, FURNISH, and STAFF a new Child Care Center for 100 children from 6 weeks to 10 years (after school, evenings), which will operate 24 hours a day and 7 days a week. The need for this is obvious when our two present centers serve 50 children with a waiting list of 83. Additionally, we have no idea of how many children may be in jeopardy because of less than ideal child care arrangements.

The following is a breakdown of the monies received from Federal and State sources:

WISCONSIN:	\$49,500	- 18 Head Start children
DEPT OF HHS:	\$457,039	- 108 Head Start children
USDA/WISCONSIN:	\$36,000	- Child Care Food Program
DEPT OF HHS:	\$96,000	- Child Development Block Grant (Child Care)

	\$638,539	

I would like to briefly review how we got where we are at this time. I've been the Head Start director and now the Early Childhood Director since 1976. In the beginning, as Director, my task was simply to develop the programming for the young Oneida children that would support them and assist them in their preparedness for Kindergarten. It soon became a constant quest to develop the funding to support the programming, as the Tribe didn't have too many financial resources at that time. Unemployment rates were high and high school dropout rates were similar to those of other tribes.

The Head Start Program was one of the larger programs, employing six and one-half people in 1976. When the new Child Care Center is opened, we will have 68 employees.

In 1976, we had one Center in the middle of the Reservation. We had no way to assist in meeting the needs of Tribal families who lived on the near West side of Green bay. In 1978, we took the opportunity to expand our Head Start services to a storefront on "tavern row" in Green Bay, and also expanded services through an Indian Education Grant into a Home Project as well as an additional classroom at the Center. (Under Indian Education, there is no income eligibility as in Head Start.)

This all worked well for us until our storefront Center, leased from the City of Green Bay for \$1 per year was in danger of collapsing. Through another grant, we were able to get funds to

purchase a 3 classroom modular building in 1992. Again, through our Gaming Enterprises, the Tribe was able to contribute an additional \$162,000 to the project as well as contributing a double-wide trailer. These buildings were set up in land purchased by the Tribe through Gaming revenues as part of the newest Tribal Housing at the THREE SISTERS SUBDIVISION. The three classrooms permitted us to expand further and also permitted us to establish our second Child Care Center devoted to the care of just Infants and Toddlers.

That fairly well brings us up to the present. We have known that with the expansion of our Gaming Enterprises as well as the other Tribal Enterprises, and the overall age of the tribal members, that there is a strong need for additional Child Care services. (As noted earlier, we have 50 slots filled with 83 on a waiting list, with 25% of those in the infant category, with some yet to be born.)

Early in 1993, the Oneida tribe set aside \$1,600,000 to build two additional Centers. Center One will need to be established for the Casino employees who need to know their children are well cared for at all hours of the day and night and weekends. It will be close enough to the work site that families will be able to share the evening meal and prepare their own children for bed. We will promote these ideas in order to be part of the family support system.

The Second Center will be built in conjunction with a new Head Start Center adjacent to the tribal School. It will serve both Head Start and Tribal School children before and after school. Again, its important to emphasize the family concept for the children who will have brothers and sisters in OTS and Head Start or Child Care. We expect them to help in caring for each other! As noted, to build and start up the operations of the first Center, the cost is in excess of \$1.5 million.

The existing Center in Oneida will remain in its present location as part of the planned Tribal High School. Its primary clientele will be the babies born to the High School students. In order to avoid having these young mothers dropping out of school, we will maintain the Center as a part of their school day, augmenting their regular studies with group counseling, family living studies, and provide them the opportunity to work with their own child under the tutelage of skilled providers. These children who have had a child need to learn to make appropriate choices and to plan for the future for themselves and their children, with the first step being high school completion.

All of the Centers will continue to be maintained on a sliding fee scale. Funding support for families will be sought from the various AFDC sources as well as the Child Care Development Block Grant. The balance of support will need to be derived from the Oneida Tribe.

We are now emerging with a new problem for our preschool-aged children. Potential loss of Head Start! This Income eligible program does not permit earning a living wage. A family of 3 cannot earn in excess of \$5.72 an hour gross. If they do, they will lose their Head Start eligibility. If we could figure out how to do it, we could still feed them a free school lunch, but we would be forced to keep them out of the Head Start classroom. A question that we are attempting to deal with nationally on Indian reservations is that simply because a family is earning a living wage on which they can support themselves, it doesn't necessarily follow that there are no other needs in that family. This is particularly true for many of our Oneida workers, with their first job in perhaps more than a generation. Head Start is a total family-oriented program that is much more than ABC and 1, 2, 3. It's a means of assisting families to long-term stability and future educational growth.

I'm only a long-time observer of this Oneida Tribe; but, having worked along with these hard-working intelligent people, they have shown every indication of wanting to be in charge of their own destiny! Their children are part of their destiny. Regardless of the outcome of other sources of funding, given the chance to continue to move forward, this Tribe will support all of the Early Childhood endeavors. Their children will be their leaders as well as being leaders in the majority society.

We must Nurture and Teach them Well.

Mr. RICHARDSON. Thank you very much, Ms. Hayes.

The Chair recognizes Ms. Sherry Mousseau, the principal of the Oneida Tribal School.

STATEMENT OF SHERRY MOUSSEAU

Ms. MOUSSEAU. Thank you. It is really an honor to be here to talk about how the dollars and the commitment of the Tribe have influenced our program. I attended the University of Oshkosh and graduated in 1973 with a degree in teaching, and there wasn't a school here, so I went to Minnesota and worked with an Indian program over there on urban Indians in Duluth. Then I went to school in South Dakota in 1976 and got a master's degree in special education. In 1978 Mary Ellen called me to come back because they were having a need for a special ed Indian person in Headstart. Then the school opened in 1979 and I got called again. I could not come in 1978. I was pregnant with twins, and could not go to the store, much less move back. So, I did come back when my kids were old enough to walk. I was happy to see the Tribe then had a day-care facility for my children.

I have gone on to get a post-master's degree in elementary administration, and am currently enrolled in a district administration post-master's class with the University of Milwaukee. So, I really have worked hard as far as programs of students and the program of the school. It opened in 1979, with less than a hundred students, and we have got over 300 students now. We are currently a grant school.

There has been involvement from the Tribe from day one. We have had involvement for our athletic programs, support for teachers' salaries. I am one of the few women administrators in the Bureau of Indian Affairs. At times I go to meetings from our Minneapolis area and the other administrators acknowledge, yes, but your Tribe gives you money. If we did not have that support—we did have a mandate to be accredited from the Bureau of Indian Affairs. You need to spend \$8 per child for library programs. You need to have a certain level of expectations for the staff. They have to have degrees.

In order to keep degreed teachers, you have to have a salary that is the same as the surrounding area, so that they will stay here. I am proud to say we have 60 percent of our teachers that are Native American. We have Oneida, Menominee, Stockbridge-Munsee and Ojibway staff. We have a very big culture/language curriculum. The curriculum is integrated into our classrooms. The Oneida Tribe funds over \$200,000 for our Oneida language program in our classrooms.

We have a gifted/talented program from the Bureau of Indian Affairs. We have the usual chapter and special ed programs. All of our staff do have accreditation. Last year we did start a training program for our native people to become certified language teachers for our children.

We have a program where we network with social services, where we have elderly that come into our classrooms. We have resource people that work with our children. The thing that is really important to me and I really feel grateful about is my parents George and Grace Swamp had the foresight to take care of my

grandpa Joe. When I was a little girl, I spent many hours in the garden with him and we were planting corn. He would tell me stories when I would come home. In second grade I was really crying and I felt just terrible because the kids at school were saying things about Indians, and oh, you know, Swamp over there, she is an Indian. I felt so terrible. I came home and I was crying. We were pulling weeds that day, and my grandpa said, what is wrong? I said I cannot write my name right and my teacher made my paper all red and they said it is because I am an Indian. He took a stick in the garden and my name was Sherry Swamp, and I wrote it backwards. He looked at that, and it was written the right way, red. I thought I had to quit school. This is not working. Every day I am writing my name wrong. He took that stick and he wrote it in the garden and he wrote my name backwards. Then he gave me that stick and he said you write it. I took that stick and I thought no, grandpa, this was wrong. This was what was in red. You write it. Then I wrote my name and I wrote my name the right way. Then I thought my grandpa knew that.

I got older and I began seventh grade. I was told that Indians just kill people. It is just something inside of them that they do. Well, Swamp here, she is an Indian. When is she going to start getting like that? We better find out. So, I went home and I said, grandpa, those teachers today said that I am Indian, I am just going to have to kill people. He said no, no, no. He said they do not know. So, he would always explain to me we were here, we gave them food, we helped them out. You be good. They understand. Some day they know. You see, he went to the boarding school. His parents died when he was three. There was an epidemic. So, he came from New York and he moved here. He lived with his aunt and uncle. He went to boarding school. He used to tell me about Carlisle and Haskell. He was a fullback player at Haskell, and he graduated in 1914. He used to tell me how there were all different Indians there—Indians from California, and Florida, and Wisconsin—but they all had different language and they could learn each other's words, but they cannot hear you. They get mad. They were the teachers. So that boarding school experience made him so he did not teach my father Oneida. He would speak Oneida, but it was clear to us you do not go outside of this house and talk like that. They do not understand. They do not know. It was that oppression that was existing in the generations that had an effect on all of the Indian families.

The thing that brought us together and the thing he realized was he has four children, three boys and a daughter, and my father died when he was 47. My uncle died when he was 50. The thing is that life expectancy—when I got to college I checked all of this over. There was heart disease in our family. Life expectancy is not real great for Indian men, and so my dad died when he was supposed to, but my grandpa was still there. He died 10 years ago, he was 93. We found out later he had a real good heart. It was very strong. So, I am hoping that I got something from him.

The problem that we see in the schools is that oppression that came with the families. Some families do not think it is a good thing for their kids to learn their language or their culture. You know, there is this melting pot theory. I came back in 1979. I

worked as a special education teacher. Part of me always wanted to teach kids. I thought, if I ever get old enough and I get to be a teacher, I am going to be good to my students. I will not embarrass them, and I will not say terrible things about them. I will make it a happy place to come to school. So, I came back. Because I had the education I did and the years of experience, well, they thought, the school board said we need a principal, why don't you be our principal? So, I went back to school and got that license. Now, we are an accredited school. We have 60 percent of our staff that are Indian. We have a low student/teacher ratio, and we truly care about our kids. When we teach them, we teach them the history that is our truth of what our history is. It is inside here, what we have learned from our parents and grandparents.

We need to have our networking and our support system back. My grandfather's wife died. Her children were ages 11, 9, 5 and 3. Because he grew up without his parents, he kept those children together. My father had an injury in World War II, and he had a metal plate in his head, but he never told us. Then when he died, my Uncle Irv, who was in the service for 20 years, said, I will tell you about when we were little. I went wait a minute. Wait a minute. Daddy never told us about when he was little. They said, well, he could not remember. He had an injury to his head and he could not remember. Then he looked at my grandpa and said, don't they know? No, no. He does not want them to know.

My grandfather never did learn fluent English. Because of that, my brother and I were in speech class, because we did not speak fluent English either. When my children were in Headstart, they flunked the Peabody Vocabulary Test. Then I realized that our Oneida language is not based on nouns and the sentences are not like English sentence structure. So, instead of saying, let's take the bread and make toast, we would hand the bread and make the toast now. So, there was a difference in the morphological structure of the language. We still have a high percentage of children in speech due to this. At least now they are learning their language. We understand about English and how we develop the English in them, how we teach them the English. We have a networking program and we try and take charge of our education with the parents becoming involved in the school. We have an activity every month where the parents are invited in and other community members, even members who do not have children in our school.

It is time that we, as a nation, work together educating our children. Our extended-family system historically has supported our children, and we can do that again. Right now, 50 percent of our local Native American high school students do not graduate. Of the 50 percent that do, half have a grade point average of 2.0 or lower, based on a 4.0 scale. Only 12 percent are going on to post-secondary education. Right now our school is kindergarten through eighth grade. It is our dream and our vision that we will have a high school by 1994. With a tribal contribution of \$11.4 million, our dream of a new elementary school has been realized. We have been applying since 1989 for BIA funds, and it has been unsuccessful.

Right now we have over 300 students and this building is full. We cannot put anymore students in anymore classrooms than what we have. Although I do hear we are getting two more classrooms

in the fall, thanks to the expansion of the Tribe. We have more children who want to come to school here. It is their right to come to school. I want to thank the Tribe for their support and all of the effort that they have shown being part of the education system.

We also had a team of girls that went to Badger State Games. I understood they took fourth out of twenty teams, and they came back last night and we are very proud of them. They would not have been going without the support of the Tribe. So, we are doing a lot on self-esteem building, making our children whole, healthy people. Without the Tribe and our current tribal contribution of 62 percent of our total \$12 million budget, we would not be able to have the programs and the quality that we have for our children. Thank you.

[Prepared statement of Ms. Mousseau follows:]

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TESTIMONY FOR SUPPORT OF GAMING DOLLARS FOR THE ONEIDA TRIBAL SCHOOL

The Oneida Tribal School opened its doors in 1979 with less than 100 students. It has grown to over 300, earned accreditation through North Central Association of Accreditation, and become a home to numerous Oneida youth through-out the past years.

There has been involvement from the Oneida Tribe for support in terms of dollars since day one. Six percent of the staff are paid through Tribal funds, enabling us to have an integrated Oneida cultural/language curriculum. We would not have aides in the classrooms if Tribal dollars did not support our educational efforts. Over the past years our tribal contribution has increased from 7% to 17%, which funds the library purchases, Oneida language and culture elders, which serve as resource people and three teaching staff, along with three trainee positions in language and culture. Without this funding we would not be able to be an accredited school. Teachers salaries could not be at the level they are to attract teachers and keep them. Our staff is 60% Native American with Oneida, Menominee, Stockbridge-Munsee and Ojibway teachers included. The funding also allows us to participate in athletic competitions by funding our coaches and all extra-curricular sports events.

We have applied since 1989 for B.I.A. funds for new school construction and been unsuccessful. The Oneida Tribe has now approved the funds for the new school construction, which raises our percent of Tribal Contribution to 62%. Our school program provides education to over 300 students in grades kindergarten through 8th, who would otherwise be in public schools, funded through tax dollars. The public funding for Indian students is higher than the Indian Student Equalization Program which funds Indian students in our school program. The Federal Government is not living up to the Federal trust responsibility to adequately fund our program, so without the Oneida Tribal dollars, our children would be falling through the cracks in the public school system.

Native Americans have been oppressed for generations; beaten in Boarding schools for speaking their language and taken away from their families. Families were going from

Oneida Nation in Wisconsin

an extended family system with support, to the relocation programs which sent particular family members to urban areas without the family support system. The vicious cycles of poverty, alcoholism and broken families have existed long enough.

It is time we as a Nation work together educating our children, as our extended family system historically supported. Our students graduate from 8th grade and return to tell us they are leaving their family; the public schools do not care about their particular heritage or tradition. Their self esteem drops, as do their grades and their effort at achieving in school. Statistics gathered by the Oneida Tribal Government reveal:

--50% of local Native American high school students do not graduate.

--Of the 50% that do graduate, one-half have a grade point average of 2.0 or lower based on a 4.0 scale.

--Only 12% of Oneida students go on to post-secondary education.

It is statistics such as these that have made us decide to have our own, accredited high school program. We know we will do better than this. We understand our children, in our hearts, like no public system will ever be able to match.

In summary, our school has a high ratio of Indian staff, low student/teacher ratio and programs other Bureau of Indian Affairs Schools don't have because of the Tribal dollars that support our system. Currently, with the new school construction dollars, 62% of our total \$12,636,133 budget is from the Oneida Tribe, based on their commitment to education of our children.

Mr. RICHARDSON. Thank you.

The Chair recognizes Mr. Art Skenadore, the general manager for the Tribe, who is going to give us a brief overview of the Tribe.

STATEMENT OF ART SKENADORE

Mr. SKENADORE. Thank you, Mr. Chairman. Greetings to you, Congressman Roth. Good to see you again.

I had prepared a presentation for this afternoon but, due to time constraints and Congressman Roth's schedule, I will just summarize and provide written comment in regard to the presentation.

First of all, I would like to begin this afternoon by speaking to you in terms of the direct impact of gaming. In any Indian nation, the most important paramount issue is being able to capitalize the growth of community. Our present project speaks very well to our challenge to capitalize the growth of our community. Presently we have under way a casino expansion of \$39 million. The projected completion date of that project is January of 1994. This project will provide direct employment for 2,000 people in the local area. Those are 2,000 people who need to be placed, with emphasis that that is in relationship to not only our tribal members, but to the surrounding local economy as well.

The project itself also provides economic impact, from the standpoint that the vendors of the construction provides a multiplier effect, that with every project that we provide or that we extend that we impact the local community. We impact the regional community as well, in terms of providing for employment of people other than our own in the local area. What that does for us is it meets with our very deliberate diversification strategy to secure our own futures. We have a commitment to train and to utilize our own human resources, which is paramount in our agenda. Also, at the same time, our diversification strategy also reaches beyond ourselves, and provides for economic partnership at the regional level. We cannot emphasize that concept enough—that our economic partnership of our efforts provides for additional impact, beyond our own community.

In real direct and specific terms, the economic impact of them speaking in terms of our capital projects for 1993, 1994 and 1995 is in excess of \$98 million in direct impact of capital improvements. What that means, in terms of the multiplier effect for this local area, is that we are projecting that that impact will go and extend beyond \$392 million in that type of direct impact, and indirectly.

What that does for us is diversifies our future. The need for our community to continue to grow is that we must challenge ourselves in many other areas besides gaming as well. Gaming has provided the motivation. It has provided the opportunity to accelerate in many other areas.

The Radisson expansion that is presently about to begin is an \$11.2 million project. That is on the other areas of economic diversification. What that provides for us is our present efforts in the hotel industry, as one of the award-winning efforts across the country. We have competed nationally and internationally with other hotels in that industry, and we have far exceeded many in that effort. Our present efforts also provide for retail and commercial development expansion in upwards of \$6.6–\$7 million as well.

What that effort does for us, in the gaming areas, as Ms. Mousseau and Mary Ellen Hayes have directed through testimony, the Tribal School construction, two day-care facilities. We also have on our capital improvements schedule an elderly-care facility of \$4.4 million, a health-care facility of \$2.5 million.

In terms of improving community in specific, we have just completed the second phase of a sewer system. We are into our third phase, where we will extend within our reservation boundaries additional services. We are providing for road upgrades of upwards of \$2 million, and housing in the area of \$2 million as well for our membership. What that provides for us additionally is building our community. In order to capitalize the future, we need to build our community—expand as well.

We have on the schedule presently as well, a library, a public safety facility, a swimming pool, social service facility, a cultural center, administration building and further community development efforts such as that. What that means for us, in specific, is it provides for the future of our nation, economic growth and community stability.

In summary, historically, as Chairman Hill pointed out, the greatest threat is an organized Indian. Historically as well, economic oppression was one of the areas that we have seen in terms of the event of full destruction of our communities at the early relationship of Indian and non-Indian. What that did is it destabilized directly and indirectly the support of our nation.

Here and now, today we are proposing, through our efforts, self-management, economic partnership. The event today is gaming. What it provides is economic stability. It is an organized approach, and it is also a step into the future for us and for our seventh generation. Thank you.

Mr. RICHARDSON. Thank you very much, Mr. Skenadore.

The Chair recognizes the distinguished gentleman from Wisconsin.

Mr. ROTH. Thank you very much. I want to say to Mr. Hill and Ms. Mousseau, I think what you are doing is most important, because you are teaching the future of the community. That is where the secret of all success is going to lie. So, I congratulate you, not only for your testimony, but also for what you are doing here.

Chairman Hill, what is the most important message that Congressman Richardson and I should carry back to Washington with us from this hearing?

Mr. HILL. Thank you, Congressman. I think the most important message, in my mind, is the sovereign right of us being the government. Other governments are raising revenues to support the needs of their community by having lottos and such. We have engaged in gaming, as recognized by Congress in 1988 that gaming was a meaningful enterprise. After all, Federal and State economic programs have failed over the last 100 or 200 years. The benefits of Indian gaming, as recognized by Congress was to promote economic development, and that there would be a strong window of opportunity because the window is not going to be here that long, in terms of the gaming industry. They, first and foremost, protect us as governments, secondly, protect our place in the gaming industry, thirdly, to promote us as strong, legitimate governments in

this contemporary world and, fourthly, that we are to build self-sufficiency. That was the spirit of the law back in 1988. I think that needs to be protected. I think the law needs to be implemented and moved forward as productive people in this contemporary world. I think that people continually dwell in the past about Indian governments not being mature enough to be in this contemporary world, to manage the gaming industry. That is far from the truth. We need to look now and into the future, give the support where it is needed and to continue to recognize this on a government-to-government basis, and work together as human beings, fellow human beings, as people who love our State, who love this country and to move forward to protect our citizens and within our communities and in our nations and to work and to hold off the peoples of Torricelli and Reid, and Donald Trump, who continue to try to attack from the flanks and try to undermine the credibility that we have, that you have and that this government has, on a government-to-government basis, and to honor and to protect our treaties.

Mr. ROTH. In your testimony, I detected some question as to the viability and the future of Indian gaming. How do you see Indian gaming five years from now? What do you see as the goal?

Mr. HILL. More Indian nations should be provided with the opportunity, if they so choose, to get into the gaming industry. There is yet to be any strong indicators that the market is going to be saturated. This has proven, where compacts have been achieved, to be a viable economic enterprise within their nation's structure, within the community structure, within the State structure—that it is not uncontrollable. It is very controllable—that that would be protected. I see it growing into the future, and maybe up to a 10-, 11-, 12-year process. By the Tribes being denied this opportunity, we find only that the States just coincidentally find themselves in that particular enterprise themselves. I think the opportunity was set forth for the Indian nations to have this window of opportunity, and they are being denied by what I called unfair trade practices.

So, I think that there is a good future for Indian gaming. What it is doing, as Artley indicated, has given us the seed money to look further and to diversify. We have to recognize that the example here is we have been in economic oppression and depression for over 170 years and that, through Indian gaming, we have been able to do the things like, in the tax-base, to do the things that any other government would do in providing for their people. So, I think that gaming has to be protected, it has to be promoted, and it is a viable entity to move into the areas of diversification, so that we could look towards building an industrial base for our nation's economy.

Mr. ROTH. Mr. Skenadore, in your testimony you talked about what you are doing for housing, I believe. Can you illuminate us a little more on what you are doing as far as health and so on and some of the other benefits you are getting from gaming?

Mr. SKENADORE. Well, presently, we have on our schedule an improvement in our health-care facilities. We have elderly congregate care facility that we have scheduled for 1994 in the area of \$4.4 million. What that does is it provides for specific elderly congregate

care. It will include a physical therapy facility within; it will also be an expansion of our health care for other ages as well.

Mr. ROTH. I just have one more question for Chairman Hill. In your testimony, you talked about expanding the reservation. Can you tell us a little more about the plan? What is your goal? On the new lands coming in and so on? Can you just give us a little more about that?

Mr. HILL. Thank you for the opportunity here. We have a reservation that is 65,000 acres; in—it is a diagonal. It is $12\frac{1}{2}$ by $8\frac{1}{2}$ diagonally. Within that territory, we approximately hold about 10 percent of that. For the last few years, the gaming dollars have enabled us to purchase a small percentage of that 10 percent that we now hold through the gaming dollars. So, we are buying land on the open market as the opportunity is there, as the market presents itself, through fair and equitable negotiations from our neighbors, who are no longer farming or have chosen to do other types of things.

We have also been purchasing homes on the reservation, with a program called the Tribal Loan Credit Program. The Tribe has been able to build a program where we would give the downpayment to a tribal member who could acquire a home on the reservation. So, there is a lot of people moving back. It is one of the tangible and intangible benefits. Families are coming back together moving on the reservation and occupying a home. Also, they have been able to get credit in getting those types of loans. So, we have been able to acquire land and move into a farming enterprise also that would be put to use with what is allowable here in this agricultural region.

Further, I would say our bottom line is to acquire our reservation. We are going to be here. We are not going anywhere. Our goal over the next seven generations is to acquire all of our reservation back. It was illegally taken from us, but we have not moved forward with any legal remedy to resolve that. What we have chosen to do is to buy the land as it is available on the open market.

In terms of the taxes, our people pay the taxes. Until we can move it into a form of tribal trust, as per law, under Federal statutes—that we could have that opportunity to move it under Federal trust. So, in the meantime, we have to make sure that all of the taxes are up to snuff and all of the legal requirements to even go through the process of getting land in trust—that we meet all of those requirements. It would not be unlike any other government who does not pay taxes on the holdings of their properties.

Our people, further, pay taxes on any other thing—off-reservation taxation. We pay taxes, just like any other citizen would pay taxes. I, myself, live on fee land. There are several Oneidas who live on fee land and pay a substantial State tax and what not.

Mr. ROTH. Do you have to pay tax on the earnings at the casino?

Mr. HILL. No.

In addition, I would like to indicate, for the record here, on our hotel for example, in the area we pay the largest—I will put it like this. We voluntarily pay the largest substantial amount of money for the Tourism and Conventional Bureau for the room tax issue that is surrounding local municipalities here within the local region. We voluntarily pay that. For services that we would receive

from any county that we also, in addition, work out memorandums of agreement and take care of that, in lieu of a tax.

In addition, we have been able to fund our public safety department, which is probably an offset for any county or any State who, by legal requirements, under Public Law 280, would be required to provide services to our community. So, it does a couple of things. We are able to fund that full-service Public Safety Department in terms of safety, it is more feasible to have time restraints cut down in an emergency. So, we are able to do a lot of things in cooperation with local units of government that normally would not happen without gaming dollars. I think it is a budget saving for other local units of government who, under law, would have to provide these services.

Mr. ROTH. Mr. Chairman, I thank you very much for calling on me and allowing me to ask these questions. I would just ask one short follow-up question. As you well know, taxes are always an issue wherever you go. When you look at these taxes, do you think the Federal Government should set forth additional guidelines that would affect the area here and the entire country?

Mr. HILL. I do not understand your question.

Mr. ROTH. It seems to me that the public does not understand the real guidelines as far as taxes on some of these areas are concerned. The question that I have is: Do we need additional guidelines, on the Federal level, as far as taxes are concerned?

Mr. HILL. No.

Mr. ROTH. Okay. Thank you.

Mr. HILL. Absolutely not.

Mr. ROTH. Thank you, Mr. Chairman.

Mr. HILL. I would say, in addition, the other example would be the lights by the Radisson Hotel. In terms of safety, we were able to provide the money to put up the lights. There are several more examples. For the fire station in the county here, we were able to assist them and write a grant for them. We are also looking forward to helping in the purchase for a fire truck. The list goes on and on in terms of what the benefits are that come off of Indian gaming and providing services to all citizens concerned.

The other example would be through our sewer project we were able to hook up the non-Indians at no cost when our sewer ran through the reservation. So, there are substantial amounts of benefits that are tangible, intangible, indirect benefits to Indian and non-Indian alike through gaming.

Mr. RICHARDSON. To my colleague from Wisconsin, I landed shortly before this hearing started, and I went to the Radisson. I want to commend the chairman for a very efficient hotel. I had about 10 minutes to get a sandwich. Not only was it provided in 10 minutes, but it wasn't even on the menu what I had asked for. So, there is a lot of initiative. I want to commend you.

Mr. RICHARDSON. Is my colleague finished?

Mr. ROTH. Yes, sir.

Mr. RICHARDSON. I would like to ask both Ms. Mousseau and Ms. Hayes, both of you have focused on something very important, and that is the Headstart program and education. I wondered, are there any statistics relating to both the Headstart and your education programs, K-12, a percentage of how much gaming contributes to

these two activities? Maybe the general manager of the Tribe could answer that. Can you give us a range, generally? Are we talking in the 60-70 percent? Ms. Hayes?

Ms. HAYES. For the early childhood, just for normal support, that is not building.

Mr. RICHARDSON. Your entire activity.

Ms. HAYES. Yes. Okay. Oh. For normal support, approximately 30 percent. It is one-third. For what we are projecting to do, you are probably talking about perhaps 200 percent.

Ms. MOUSSEAU. Until we get the building contingency fund—it was from 17 to 20 percent a year. That was for the accreditation requirements, teachers' salaries. The BIA has ISEP funding, but it does not adequately fund what our needs are. In this State, we have to keep salaries competitive with surrounding areas, which means at least \$18,000 to \$20,000 starting. Then we also had to have the mandatory programs for library services and the other requirements that go along with accreditation. So, it would be about 20 percent. Plus they fund the culture language program which is part of that 20 percent. And now, with the new school fund, it jumped up to 62 percent of our budget will be tribal funds. Right now we have a K-8 system. We have had approval from the office of Indian education, programs last year, so we can expand to 12th grade in 1994. Right now we have some funds from the Tribe to do the planning and the process to start hiring for that program.

Mr. SKENADORE. The physical facilities that are on our construction schedule right now are all 100 percent funded by gaming—by gaming dollars—the two day-care centers, Headstart, and the new Tribal School.

Mr. RICHARDSON. Now, Mr. Skenadore, gaming is obviously the cornerstone of the economy here. Prior to your having gaming, was Oneida primarily agricultural? Was that the main economic base prior to gaming?

Mr. SKENADORE. Yes. I want to footnote that. We have been in the gaming industry since 1976.

Mr. RICHARDSON. Okay.

Mr. SKENADORE. The most recent, in terms of casino-style gaming, is the most recent effort of our expansion. Primarily, since 1976, we have been in some form of gaming that has provided the cornerstone of the stability of our economy.

Mr. RICHARDSON. Now, my last few questions to Chairman Hill, because we have to move on to the other panels. I noticed, Chairman Hill, that you have not chosen a management company to run the gaming establishment. Why is that? How many tribal members do you employ and how many are in management positions?

Mr. HILL. First of all, our general tribal counsel would not tolerate outside management in our gaming enterprise whatsoever. The management that we have had—a lot of the people have grown up since 1976 in our gaming enterprise. They have taken the time to educate themselves on all of the various games and all of the infrastructure needs to be in this industry. So, I need to applaud my managers for taking the time to get educated and inform themselves about all of the infrastructure needs to take place in this gaming industry. They have educated themselves well. They have trained—they have brought in experts. We bring people in, on a

consultant basis, on a very short management-type contracts. They are engaged in educating our people on the various aspects of the casino industry, the gaming industry. So, we have been able to maintain with our own people and have a lot of pride in doing that.

Within our compact also, we have written in language that we would not bring in any outside management in our gaming hall. Sherry was a good example of how people here individually take the responsibility of educating themselves and taking pride in that and standing strong as an individual Oneida member to do that. Along with our gaming ordinance, our general tribal council had approved upper-level management would be maintained by Oneida members exclusively. Any other entry-level positions or lower-level entry positions would be afforded to other Indian nations and also would be afforded to other races of people as required. As we move into the future, or even presently, I think we experienced a lot of other races of people and other Indian nations coming forth to work in our facilities. We are going to have another expansion here in January. I would like to invite you all to that in January, when the new facility is completed. That will also employ about another 900 people. So, there are people from the Fox River Valley who will be coming here for employment.

Mr. RICHARDSON. What is the unemployment rate on the reservation?

Mr. HILL. I think it is about 14-15 percent. Gaming is not the means to an end, it is a means to a beginning. We are just on the tip of the iceberg. We still have a lot of homeless Oneidas and we still have a lot of landless Oneidas, although we have had some successes. We are just starting to do things because we finally have the dollars to be used at our government's discretion to provide for the needs of the people here.

Mr. RICHARDSON. Well, you are obviously a very proud Tribe. I congratulate you and we look forward to seeing some of your gaming establishments.

I want to thank the first panel. I would like to invite the second panel to come up—the Honorable Tom Quene, county executive, Brown County, State of Wisconsin; the Honorable John Tries, chairman, Wisconsin Gaming Commission; the Honorable Kieth Ferries, chairman of the Jackson County Board of Supervisors, Black River Falls, Wisconsin; Mr. James Guccione, co-owner of Complete Gaming Consultants, Walker, Minnesota; and Mr. John McCarthy, consultant, Minnesota Indian Gaming Association.

Gentlemen, welcome. We appreciate your coming. Please proceed to the witness table. As you make your way up to the table, I will defer to my colleague, Toby Roth, for comment. I am sure you are well-acquainted with him.

Mr. ROTH. Well, I thank you, Mr. Chairman. I want to introduce you to three of the finest people we have serving in public office here in the State of Wisconsin. We are proud of their service. I think we are going to learn a good deal from their testimony today. So, gentlemen, thank you and welcome.

Mr. RICHARDSON. Let me start with the Honorable Tom Quene.

PANEL CONSISTING OF HON. TOM QUENE, COUNTY EXECUTIVE, BROWN COUNTY, STATE OF WISCONSIN; HON. JOHN M. TRIES, CHAIRMAN, WISCONSIN GAMING COMMISSION; HON. KIETH FERRIES, CHAIRMAN, JACKSON COUNTY BOARD OF SUPERVISORS, BLACK RIVER FALLS, WI; JOHN P. McCARTHY, EXECUTIVE DIRECTOR, MINNESOTA INDIAN GAMING ASSOCIATION, AND PRINCIPAL OWNER, COMPLETE GAMING, INC.; AND JAMES GUCCIONE, PRINCIPAL OWNER, COMPLETE GAMING INC., WALKER, MN

STATEMENT OF TOM QUENE

Mr. QUENE. Okay. Well, thank you, Congressman. I can assure you the testimony will be brief.

On behalf of Greenbay and Brown County Community, I would like to welcome you to our area, and are very pleased that you have chosen to come here to view the successes of the Oneidas, as well as what we consider to be the successes of our community. I am a life-long resident of this area, and have grown up on the west side of Greenbay and are very familiar with the Oneida Tribe, for the past six years, serving in the capacity as the chief elected official of Brown County. I have seen the Oneidas grow substantially, and have seen them do so as they have benefitted from an opportunity that was available to them. This opportunity afforded them to generate revenues through the gaming industry, and they have channelled those revenues into the areas of public safety, the environment, human services and, more particularly, education. They have, over the course of this time, become a very integral and vital part of our local economy.

Over this same period, these last six years, we have had the opportunity to increase our dialogue with the Oneida Tribe and have developed a series of partnerships whereby we have worked cooperatively on common ground and common issues. We have developed those partnerships in the areas of cultural exchanges, economic development and growth in the area of human services, as well as having tribal members serve on various local committees, commissions and panels.

Now, this is not to say that we do not have our differences, because we do. We have been able to isolate those as issues, and have been trying to work towards some resolution of those differences. We have been able to do so in a very professional manner.

I think that the greatest resource of any community is its people. We are fortunate here in Brown County to have the Oneida Nation as a people. We look forward to having them as an integral part of those human resources that we so desperately need in our community. I would like to just summarize it by saying, Congressmen, that as I look ahead as a local elected official trying to meet the needs of this ever-changing community, I look toward Chairman Hill and the members of the Oneida Nation as partners as we go forward in the future to solve the needs of not only the Oneidas but also the needs of all of the people in this community. Thank you.

Mr. RICHARDSON. Thank you very much, Mr. Quene.

Now, the chairman of the Wisconsin Gaming Commission, the Honorable John Tries.

STATEMENT OF HON. JOHN TRIES

Mr. TRIES. Chairman Richardson and Congressman Roth, honored Indian tribal members, and guests, on behalf of Governor Tommy G. Thompson and the Wisconsin Gaming Commission, I welcome you to Wisconsin.

The State of Wisconsin is signing gaming compacts under the Indian Gaming Regulatory Act with 11 Indian tribes and bands, the first signed August 16, 1991, the last signed June 11, 1992. They currently operate 17 gambling casinos in the State.

When the Wisconsin Gaming Commission began operations October 1 of last year, the Office of Indian Gaming was formed to take responsibility for the coordination of all of the State's regulatory activities regarding Indian gaming, to assist the Governor in determining the types of gaming that may be conducted on Indian lands and entering into compacts and to function as a clearinghouse and information clearinghouse on Indian gaming, and to act as liaison between the Indian tribes and bands for the State on gaming issues. The Gaming Commission oversees this office.

Each of the gaming compacts in this State are unique to the tribes and bands which sign them. There are many similarities. The tribes are limited to certain game offerings in their casinos, black jack, electromechanical slot machines, electronic video game machines and pull-tab tickets are all allowed in the Wisconsin Tribal Casinos.

You have asked me to comment on the effects of the Indian Gaming Regulatory Act on this State. I can tell you that our experience had been a good one, for mutual respect between the leaders of the various tribes and bands in the State exist. We believe Wisconsin has done well in negotiating and signing the Indian gaming compacts. Obviously, there have been and probably will be rocky roads in the administration of the compacts. This is largely due, I believe, to our inexperience in these matters. I should quickly add we are all learning every day.

The Indian Gaming Regulatory Act was designed to promote economic development for the tribes in Wisconsin. We are seeing the beginnings of that. Some of the tribes are already pouring gaming proceeds into new schools for their children, a home building program for their members, new tribal recreation facilities, new medical and dental facilities on tribal land, and a buy-back of reservation land sold in poorer days, among many of the other investments that they are making in their tribes' futures.

An example of our cooperation with the tribes is evidenced in our consideration of a proposal to tie slot machines together among the various tribes, in order to offer large jackpots. If all goes well, this tribal gaming interconnection should assist Wisconsin tribes in attracting additional gaming revenue.

Despite all of the positive things one can say about Indian gaming, there are troublesome areas. The Indian Gaming Regulatory Act does not adequately define the State's authority to regulate the tribal gaming compacts. Although there is not a specific issue we need to address at this time, in the future, this lack of authority could be problematic. There is concern on the Gaming Commission's part about this, and there is a need for it to be addressed.

If the regulatory authority is not better defined, administration of the gaming compacts could become unmanageable.

Finally, I want you to know that the State of Wisconsin and the Gaming Commission understand that Indian gaming and its benefits to the tribes is short-term. The tribes understand that, in seven years of the gaming compacts, they must make the most of that opportunity. We want to make sure, however, that during the time Indian gaming exists in this State, that there are few problems, no scandals, and that visitors to the casinos are assured of fair games and a clean operation. I hope you will assist us in making sure the modern history of Indian gaming is written as a beneficial experience for everyone.

Thank you for your time.

[Prepared statement of Mr. Tries follows:]

Comments of Mr. John M. Tries, Chairman
 Wisconsin Gaming Commission
 before the House Subcommittee on Native American Affairs, June 27, 1993
 Norbert Hill Center Auditorium
 Oneida, Wisconsin

Chairman Richardson, members of the Native American Affairs Subcommittee, members of Congress, honored Indian tribal members and guests, on behalf of Governor Tommy G. Thompson and the Wisconsin Gaming Commission, I welcome you to Wisconsin.

The State of Wisconsin has signed gaming compacts under the Indian Gaming Regulatory Act with 11 Indian tribes and bands -- the first signed August 16, 1991, the last signed June 11, 1992 -- and currently operate 17 gambling casinos in the state.

When the Wisconsin Gaming Commission began operations on October 1 of last year, the Office of Indian Gaming was formed to (1) take responsibility for the coordination of all the state's regulatory activities regarding Indian gaming; (2) assist the Governor in determining the types of gaming that may be conducted on Indian lands and entering into compacts; (3) function as an information clearinghouse on Indian gaming; and (4) act as the liaison between Indian tribes and bands for the state on gaming issues. The Gaming Commission also oversees this office.

Each of the gaming compacts in this state are unique to the tribes and bands which signed them. There are many similarities: the tribes are limited to certain game offerings in their casinos. Blackjack, electromechanical slot machines, electronic video game machines and pull-tab tickets are all allowed in the Wisconsin tribal casinos.

You've asked me to comment on the effects of the Indian Gaming Regulatory Act in this state. I can tell you that our experience has been a good one, where mutual respect between leaders of the various tribes and bands and the state exists. We believe Wisconsin has done well in negotiating and signing the Indian gaming compacts.

Obviously, there have been and probably will be rocky roads in the administration of the compacts. This is largely due, I believe, to our inexperience in these matters, but I should quickly add, we are learning everyday.

IGRA was designed to promote economic development for the tribes and in Wisconsin, we are seeing the beginnings of that. Some of the tribes are already pouring gaming proceeds into new schools for their children, a home building program for their members, new tribal recreational facilities, new medical and dental facilities on tribal lands, and a "buy back" of reservation land sold in poorer days, among many other investments in the tribes' future.

An example of our cooperation with the tribes is evidenced in our consideration of a proposal to tie slot machines together among the various tribes in order to offer large jackpots. If all goes well, this tribal gaming interconnection should assist Wisconsin tribes in attracting gaming revenue.

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Although there is not a specific issue we need to address at this time, in the future, this lack of authority could be problematic. There is concern on the Gaming Commission's part about this and there is a need for it to be addressed. If the regulatory authority is not better defined, administration of the Indian gaming compacts could be unmanageable.

Finally, I want you to that the state of Wisconsin and the Gaming Commission understands that Indian gaming and its benefits to the tribes is short-term. The tribes understand that in seven years of the gaming compacts, they must make the most of the opportunity. We want to make sure, however, that during the time Indian gaming exists in this state, that there are few problems, no scandals, and visitors to the casinos are assured of fair games and a clean operation. I hope that you will assist us in making sure the modern history of Indian gaming is written as a beneficial experience for everyone.

Thank you for your time today.

Mr. RICHARDSON. Thank you very much, Mr. Chairman.

The Chair recognizes the Honorable Kieth Ferries, the chairman of the Jackson County Board of Supervisors, Black River Falls, Wisconsin.

STATEMENT OF HON. KIETH FERRIES

Mr. FERRIES. Mr. Chairman. I am sorry I do not have a big typewriter back in our small county, like the State of Wisconsin has, so I am going to have to read a little slower maybe.

I come from a county of approximately 18,000 people. Given the recent events and concerns targeted towards Indian gaming in Wisconsin. The state referendum limiting the expansion of gambling, I am compelled, as a public official, to express my views regarding the potential adverse impact these actions will have upon social programs. The overall local economy, and the ability of Indian tribes to continue to pursue the process of self-determination.

For many years I have observed with dismay the social deterioration which prevailed within the structure of the Wisconsin Indian Tribes, brought on by paternalistic policies by Federal and State Government and sanctioned and enforced by the Department of the Interior and its agents, the Bureau of Indian Affairs. The result was poverty on reservations and other non-taxable Indian lands where inadequate government homes without indoor plumbing or any modern heating or cooking facilities served as family homes, some distance from emergency services, medical facilities and shopping centers.

High unemployment, alcoholism, child abuse and neglect, domestic abuse, poor physical health, were normal occurrences and expectations. Governmental programs administered by non-Indian employees could not solve the problems simply because they were the cause.

Then, in the mid- to late 1970s, the various tribes began to assert themselves. Business ventures were started, with the most significant being Class II Gaming and smoke shops. As these enterprises grew and expanded, such as Class III Gaming, revenues were utilized to improve health and social service programs.

The Winnebago people, for example, established their own tribal health clinic, purchased a meat processing facility and expanded and improved their own social programs by supplementing Federal and State programs with revenues earned by gaming.

As Jackson County Board Chairman for 15 years, I witnessed these events and saw local welfare programs shrink as tribal members found jobs. For example, in 1980, relief to needy Indian persons was provided to as many as 138 individuals at an annual cost of \$210,000 to State taxpayers. Today the program provides aid to only 13 persons. Annual costs for 1992 was \$61,000. The number of Indian persons on public assistance programs in Jackson County has decreased by 40 percent.

Currently, the Winnebago Tribe employs 1,200 employees, individuals in their various service programs and enterprises. The employees are about an equal mix between tribal members and other ethnic groups. All employees, by the way, are covered by health service, dental and eye insurance.

In addition to the significant positive economic impact this has had, a genuine inner-communication between tribal members and other local business and government leaders has taken place. The stereotypes referred to earlier have disappeared. I feel we truly have, at last, an integrated community.

I have never before witnessed any groups so unselfishly community orientated as are the Winnebago people. The Tribe has made several contributions and donations to our community and to communities up and down the road. For example, last year, last fall in Wapaka, there was a Tornado over there. The Wisconsin Winnebago Tribe was the first to make the offering to help that community come forward.

Tribes themselves are not opposed to reasonable regulation by a fair Indian Gaming Commission, but are concerned as I am that prohibitions and terminations will result in a return to their depressed, poverty-stricken society, governed, once again, by Federal and state overseers, particularly, the old, unworkable approach that has prevailed over the past 150 years.

I urge you to carefully consider future actions which will adversely affect the gains made by tribes utilizing revenue from gaming activities. Revenue is sorely needed, not so much to preserve gaming activities indefinitely, but to embark on other legitimate business enterprises, which eventually will replace or diminish the need for a particular source of revenue.

Thank you.

[Prepared statement of Mr. Ferries follows:]

Kieth Ferries
Chairman - Jackson County Board of Supervisors

Courthouse Office
Phone: (715) 284-0258

Black River Falls, WI
54615



June 25, 1993

Native American Affairs Subcommittee
The Honorable Bill Richardson,
Chairman

Honorable Richardson:

Given recent events and concerns targeted toward Indian gaming in Wisconsin and a State referendum limiting the expansion of gambling, I am compelled, as a public official, to express my views regarding the potential adverse impact these actions will have upon social programs, the overall local economy, and the ability of Indian Tribes to continue to pursue the process of self-determination.

Over the past more than 50 years I have observed with dismay the social deterioration which prevailed within the structure of Wisconsin Indian Tribes brought on by paternalistic policies of the Federal and State government and sanctioned and enforced by the Department of the Interior and its agent the Bureau of Indian Affairs. The result was abject poverty on reservations or other non-taxable Indian lands where inadequate governmental homes without indoor plumbing or any modern heating and cooking facilities served as family homes some distance from emergency services, medical facilities, and shopping centers.

High unemployment, alcoholism, child abuse and neglect, domestic abuse, and poor physical health were normal occurrences and expectations.

I observed these conditions as they occurred to one of the most impoverished groups of people in America - members of the Wisconsin Winnebago Tribe. Poverty breeds hopelessness and frustration and with an isolated minority group that hopelessness becomes an internal force slowly destroying its own membership as well as any outside efforts to alleviate the cause(s). That was the condition of most Indian Tribes as recently as 20 years ago.

Governmental programs administered by non-Indian employees couldn't solve the problems simply because they were the cause.

Honorable Bill Richardson
 June 25, 1993
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Then, in the mid to late 70's, the various Tribes began to assert themselves.

With the aid of Federal grants, Tribal councils and business committees established their own programs administered by Tribal members. Health and social service programs were instituted including child welfare activities, elderly nutrition programs, commodity distribution, nursing services, and prevention activities.

Business ventures were started with the most significant being class II gaming and "smoke shops." As these enterprises grew and expanded, such as to class III gaming, revenues were utilized to improve health and social service programs.

The Winnebago people for example, established their own Tribal health clinic, purchased a meat processing facility, and expanded and improved their own social service programs by supplementing Federal and State programs with revenue earned from gaming enterprises.

As Jackson County Board Chairman for over 15 years, I witnessed these events and saw local welfare programs shrink as Tribal members found employment within their own structure.

For example, in 1980, Relief to Needy Indian Persons was provided to as many as 138 individuals at an annual cost of \$210,000 to State taxpayers. Today the program provides aid to only 13 persons. Annual cost for 1992 was \$61,600. The number of Indian persons on all public assistance programs in Jackson County has decreased by over 40% in the past eight years.

Currently, the Winnebago Tribe employs 1,200 individuals in their various service programs and enterprises. The employees are about an equal mix of Tribal members and other ethnic groups. All employees are compensated at above minimum wage and all jobs are benefitted including medical, life, and dental insurance.

With current remodeling and expansion projects at Wisconsin Dells, Nekoosa, and Oakdale, the total number of Tribal employees is projected to exceed 2,000 in the very near future.

In cooperation with county law enforcement officials, the Winnebago Business Committee has matched a State grant with \$20,000 of its own funds to provide full-time law enforcement services on Tribal land for the first time ever. An additional \$20,000 held over from a previous grant will provide a new 1993 patrol car and other equipment.

In addition, the Tribal government provides its own security at all gaming casinos utilizing both white and Native American personnel.

Tribal offices are situated in several locations in, and around, the City of Black River Falls revitalizing the downtown business district.

Honorable Bill Richardson
 June 25, 1993
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In addition to the significant positive economic impact this has had is a genuine inter-communication between Tribal members and other local business and governmental leaders which was heretofore non-existent.

The stereotypes referred to earlier have disappeared and I feel we truly have at last an integrated community.

The Winnebago people through their Business Committee have made several generous donations for community service projects i.e.: \$25,000 for a homeless shelter, funds to provide ongoing administrative services and staff at a community incubator building, donations to local service clubs and foundations for charitable purposes, \$25,000 to the March of Dimes, \$25,000 to the Cancer Society, a \$10,000 scholarship to the University of Wisconsin - Madison, and a cooperative arrangement with local government to provide water and sewer services to an impending 450 bed state correctional facility to be located here in Jackson County.

I have never before witnessed any group so unselfishly community oriented as are the Winnebago people.

My concern is that the gains made by Tribes through their own efforts as described above may be lost, and future expansion thwarted if measures such as Senate Bill 555, the recent state referendum, and consistent moralizing by gaming opponents is allowed to prevail over the various Tribe's pursuit of managing their own affairs and pursuing their own right of self-determination.

The Wisconsin Counties Association firmly supports these Tribal endeavors and is opposed to unilateral State and Federal regulations which inhibit, curtail, or eliminate the ability of Tribes to continue economic, social, and political advances.

Tribes themselves are not opposed to reasonable regulation by a fair Indian gaming commission, but are concerned, as am I, that prohibitions and terminations will result in a return to a depressed, poverty stricken society governed once again by Federal and State "overseers" practicing the old unworkable paternalistic approach which has prevailed over the past 150 years.

I urge you to carefully consider future actions which will adversely effect the gains made by Tribes utilizing revenue from gaming activities. That revenue is sorely needed not so much to preserve gambling activities indefinitely, but to embark on other legitimate business enterprises which eventually will replace or diminish the need for that particular source of revenue, in the event gaming compacts are not renewed.

Honorable Bill Richardson
June 25, 1993
Page 4

The remarkable transformation that I have personally witnessed over the past 15 years has convinced me that undue interference in Indian gaming would potentially reverse current positive trends and have a disastrous effect on local economies both Indian and non-Indian.

Very truly yours,

Kieth M. Ferries, Chairman
Jackson County Board of Supervisors

KMF:rs0

Mr. RICHARDSON. Thank you very much.

Let me say that, before I recognize our last two panelists, I am very impressed. You have no problems here in Wisconsin.

I understand that Mr. Guccione and Mr. McCarthy have a plane to catch, and you are going to make a joint presentation, as I understand it. We appreciate your coming. I know that your schedule is very tight. Please proceed.

STATEMENT OF JOHN P. MCCARTHY

Mr. MCCARTHY. Thank you, Mr. Chairman.

Mr. Chairman, Committee members, tribal leaders, my name is John McCarthy. I am the executive director of the Minnesota Indian Gaming Association. My partner and I also own and operate a consulting business called Complete Gaming, Incorporated. We have been asked by Mr. Wapato, the executive director of NIGA to address this hearing today and to talk about internal controls and how they relate to Indian gaming. My partner, Mr. Guccione, will attempt to walk you through the actual tracking of a coin that has been played in a slot machine and show how strong internal controls allow for the protection of the general public's interest, as well as the protection of the tribes' interest.

In our presentation, we will talk about the various levels of protection, starting with key control, and hopefully, with time on our side, we can show you that a coin placed in a machine by a customer can be tracked from the time that it is dropped in the machine all the way through to the point that it is deposited in the bank. We will be discussing the various departments that interact with the process, as well as the safeguards that internal programs provide to ensure the integrity of the system.

At this time, it is my understanding that, because of the technical nature of this type of testimony, that we are going to be allowed a joint 5 minutes apiece. I am going to donate most of that to Mr. Guccione. It is a short time to try to explain a fairly complicated matter, but I think our intent and purpose with this Committee is to hopefully have you understand that Indian gaming is very well-regulated, and strong internal controls are a very major part of that. With that, I will turn it over to my partner, Mr. Guccione.

[Prepared joint statement of Mr. Guccione and Mr. McCarthy and attachment follow:]

STATEMENTS

OF

MR. JAMES GUCCIONE, PRINCIPAL OWNER
COMPLETE GAMING, INC.

AND

MR. JOHN P. MCCARTHY, PRINCIPAL OWNER
COMPLETE GAMING, INC.

BEFORE THE

NATURAL RESOURCES/ INDIAN AFFAIRS COMMITTEE

JUNE 27, 1993

Mr. Chairman, Members of the Committee, Tribal Leaders. My name is James Guccione. My partner and I, Mr. John McCarthy, have been asked by Mr. Wapato to make a presentation on Internal Controls as they apply to gaming operations.

Our company, Complete Gaming, Inc. is a consulting firm working with several gaming tribes throughout the United States. In our capacity as advisors and consultants to tribes, we deal in many areas of gaming from facility design to marketing and promotions. The one fact that we consistently try to leave our clients with is this, "any gaming operation will live or die by the strength of their Internal Controls". In thinking about different types of examples we could present to this committee today, we have decided on a general statement that your committee, Mr. Chairman, can very closely identify with and that is The Definition Of Internal Controls Is Nothing More Than The Operation Of Good Government. Good government operates with a strong system of checks and balances. Internal Controls is no more than to insure that all Cash In follows a path that can be traced and that different departments are charged with following that path so that the bank deposit reflects that same cash and that it is not lost somewhere along the way.

Mr. Chairman, we will attempt through this testimony and our verbal demonstration, to show the actual functions that Internal Controls serve and more specifically, how they work.

The first step in the process of establishing sound Internal Controls is the selection of the people to develop the controls. Most of our clients have used their C.P.A. firms, although a few have had them developed by their own accounting departments. The issue here is not who designs them but that they serve the purpose of allowing for an accurate system of checks and balances.

One of the major charges made by opponents of Indian Gaming has been the lack of regulation and the susceptibility of Indian Gaming to organized crime. While these charges have all proven to be nothing more than smoke screens and no documented cases of infiltration by organized crime have been documented by any agency, it is a fact that one of the most significant safeguards that can be established by the tribes to protect themselves from all forms of theft or misuse of funds is a strong Internal Control System.

If a system is put in place, properly monitored, and safeguarded, it becomes virtually impossible for outside or inside forces to penetrate that control function. Strong Internal Controls are the greatest deterrent to all forms of theft and misuse that exist.

We would like to take the credit for inventing Internal Controls for gaming operations but unfortunately, we cannot. The concept that dictates good Internal Control Policies have been around for years and have been tried and tested by the gaming community in Las Vegas, Atlantic City, and throughout the world. By developing, adopting, and adhering to your control policies, your gaming operation can feel comfortable that any attempt to skim or corrupt the bottom line will be detected and brought forward. Controls that are properly utilized are the single greatest protection that the house has in protecting it's assets.

Like anything else that is sophisticated and technical by nature, Internal Controls need all parts to work together in order to be 100% efficient. For example, you cannot expect the system to deliver if you short circuit part of it. The Surveillance Department is as important as the Computer System and all must work together to produce the maximum results.

As part of our testimony, we will attempt to demonstrate how proper Internal Controls can track a coin that is played in a machine from the time it is inserted by the patron until it is deposited in the bank. Unfortunately, time does not allow us to explain this process on paper as it would take much more than the allotted time available.

It is our hope that the key message we are trying to convey is understood. Indian Gaming is Regulated Enough. The Internal Control process that tribes have in place are the same kinds of systems that are in place in non-Indian gaming. The major difference is that the Las Vegas and Atlantic City operations do not have Federal oversight by way of the Bureau of Indian Affairs and the National Indian Gaming Commission as well as the close scrutiny of the Tribal Governments.

Thank you.

INTERNAL CONTROL SYSTEM
MANUAL

MAY 1993

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INTERNAL CONTROL SYSTEM

SLOT DEPARTMENTAREAS OF ACCESS

	Table Drop Boxes	Stored Table Drop	Table Chip Tray	Pit Podium	Card Inventory Room	Slot Machine Cabinets	Slot Change Drawer	Slot Drop Cabinets	Fill/Credit Dispenser Third Copies	Vault	Coin Room	Cage	Mainframe Computer
Slot Manager	No	No	No	No	No	*Yes	**Yes	*Yes	No	No	No	No	No
Assistant Slot Manager	No	No	No	No	No	*Yes	**Yes	*Yes	No	No	No	No	No
Shift Supervisor	No	No	No	No	No	*Yes	**Yes	*Yes	No	No	No	No	No
Floor Supervisor	No	No	No	No	No	*Yes	No	No	No	No	No	No	No
Technician	No	No	No	No	No	*Yes	No	*Yes	No	No	No	No	No
Change Person	No	No	No	No	No	No	Yes	No	No	No	No	No	No

* Must be accompanied by a Security Guard escort.

** As escort.

*** With Security Guard escort or individual responsible for area accessed.

INTERNAL CONTROL SYSTEM

SLOT DEPARTMENTSlot JackpotsResponsibility:

Slot Supervisor or
Floor Person

Procedure:

1. Verify jackpot payout as required.
2. Prepare and sign a Request for Jackpot/Fill indicating:
 - a. Date, shift and time
 - b. Amount of Jackpot to be paid
 - c. Machine number and denomination
 - d. Reel symbols
3. Proceed to vault or Slot Booth.
4. Give original copy of Request For Jackpot to vault or booth cashier.
5. Receive Request for Slot Jackpot and enter into computer system. Computer will print 2-part slot jackpot slip indicating:
 - a. Date, shift and time
 - b. Machine number and denomination
 - c. Jackpot description, denomination and amount
 - d. Verify signature lines for:
 1. Slot Technician
 2. Security Guard
 3. Vault or Booth Cashier
6. Count out amount requested for Jackpot.
7. Sign Jackpot slip.
8. Count and verify money provided by cashier. Sign if in agreement with the slip.

Vault or Booth Cashier

Floor Person and
Security Guard

INTERNAL CONTROL SYSTEM

SLOT DEPARTMENTSlot Jackpots (Continued)Responsibility:

Vault or Booth Cashier

Floor Person and
Security Guard

Floor Person

Security Guard

Floor Person

Procedure:

9. Retain original Jackpot form and staple to original Request for Jackpot.

10. Give duplicate Attendant Pay Verification form to slot technician and/or Floor person with funds for customer payment.

11. Proceed to Slot machine requiring jackpot payout.

12. Summon Change Person in area to be present during pay to customer.

13. Pay customer.

14. Observe payment.

15. Drop duplicate Request for Jackpot and Jackpot slip in locked box at the change booth.

Note: Keys to the locked box are kept by accounting.

STATEMENT OF JAMES GUCCIONE

Mr. GUCCIONE. Thank you very much, John.

Mr. Chairman, Committee members, tribal leaders, my name is Jim Guccione. A real short history on myself, so you understand maybe where some of this is coming from. I have over 21 years background in Las Vegas. I started out as a dealer, dealt all of the games, worked as pit boss, shift boss, assistant casino manager. I was surveillance director to Bally's Grand, which was one of the largest casinos in the world, employing 4,500 people, with 1,500 slots and 109 games. I also was surveillance director to Sahara Resorts, which had four properties, and maintained all of those—three in Vegas, one in Lackland.

Approximately three years ago I came and went to work for Leech Lake Reservation in cooperation with the Minnesota Indian Gaming Association, to do training throughout Minnesota and since then have done training throughout several states, Wisconsin being one of them.

On the subject of internal controls, as John said, we are going to try to do something that is almost impossible, but I will give it my best. Okay? What it starts with is key controls. Internal controls basically deal with the movement of monies. Everything else in the casino deals with what is called procedures or policies. In the internal controls, key control is the first control and probably one of the most important. All sensitive keys, keys that access money areas, keys that access slot drop boxes, keys that access money boxes on table games are all maintained in a lock box in the vault. This box is under constant scrutiny by a surveillance department. Anytime it is accessed it requires signatures of two people, sometimes three or four and always from different departments. Surveillance is always notified, must be notified as to why they are going into the box, what key they are going to get and what they intend to do with it.

The following departments and staff are involved in a process of accounting for the money in the example that I am going to give here. John alluded to the fact of tracking a quarter through a slot machine. I hope everybody in the room and yourselves understand that that is theoretical. What I am going to do is to track how money goes through the slot machine and gets accounted for. Okay. The department that is involved in this is the accounting department. They are responsible for all the electronic and manual readings off of the machine.

The cage and vault department, who the slot people, the count teams answer to, the accounting clerks, and security all play a part in this process. The security department's role is, one, to observe all financial transfers, without ever touching money and to make written observations on all procedures. Security always maintains a presence. The fourth body would be surveillance. Surveillance is responsible for the observation and video monitoring of all activities of all of the departments.

So, let's get back to that theoretical quarter. What basically happens is this. When a coin is placed into a machine, there is an electronic read-out on a computer system that tallies that coin going into the machine. Then there are mechanical meters on that machine that also tallies that coin going into the machine. Then there

are also electronic coin counters with visual displays that weigh money, and it is taped on camera the money that came out of the machine. Security guards are present through the whole thing.

The system would basically work like this. The money goes in. The electronic computer portion is kept in the accounting office. The people in operations, on the floor, have no knowledge of what is going out on the computer. They have no access to those read-outs. Okay? Periodically, the accounting department also goes out, the machines are opened at the time of the count, and takes the manual meter readings off of the machines. The count team takes the buckets from the machines to the count room, where they are weighed on a scale, surveillance cameras are trained on the scale read-out and also on the room itself as to the monies being handled. That read-out not only is displayed, but it is sent out on a printer. Now, the count team in there take those printer read-outs, plus the count of the coin and, at the conclusion, turn that coin over to the cage vault. The paperwork of that drop is not given to the cage vault; it is given up to the accounting office.

Now, the accounting office has the count teams, independent numbers as to what came out of a machine, surveillances, videotapes of what came out of a machine, a computer's electronic read-out of what came out of a machine, an accounting person's manual, written read-out of the manual meters on the machine, the knowledge that a security guard was present and, in the final scenario, a deposit slip that gets made out by the cage accounting for x-amount of money. So, when you get all done, you have had six independent departments tracking this money coming out of a machine in six different areas.

When people hear internal controls, I hope they understand—and, if John would, he has got a few extras here, he could hand them out to you, just so that it is understood by the Committee—that internal controls are clear, concise. This person does this, then this. Anytime another person enters the scenario, his name is listed and what he does. It is very precise, exacting. Nothing is left to chance. Nothing is left to someone's interpretation. It is very clear and concise, what each individual must do in this scheme of things when accounting for the money.

I hope that somewhat draws a picture as to how the monies get handled and how they should flow. I might add, seeing that the light has not gone off yet, I have got maybe 30 seconds, I have spent 20-something years in this business. I have spent the majority of it in Las Vegas. I have been surveillance director, and been recognized as probably one of the leading surveillance people in gaming, period. I have trained all over Nevada, Atlantic City, Puerto Rico and everywhere else. Although my job is involved in it, let me also say that Indian gaming, in their efforts to track and protect not only their assets, but the monies and to go along with things that make the State happy, have been 100 times more than what the casinos in Las Vegas would do.

[Applause.]

Mr. GUCCIONE. So, with that, I would just like to say I have been very impressed. They have put a great deal of effort into probably one of the most important items in a casino, and that is the fact of their internal controls and the surveillance systems that monitor

them. These tribal people are paying anywhere from \$100,000—\$700,000 when, if you have read some of the compacts, all they have to do is put a Kodak camera in the middle of the room and it would work. On their own, they voluntarily have done this. I have seen this in Minnesota, Wisconsin, Iowa, North Dakota, every place that I have been.

So, thank you very much.

Mr. RICHARDSON. Mr. McCarthy and Mr. Guccione, can you stay for a few questions or do you have to leave?

Mr. GUCCIONE. Yes, we can stay.

Mr. RICHARDSON. The Chair recognizes the gentleman from Wisconsin.

Mr. ROTH. Thank you, Mr. Chairman.

Mr. TRIES, what are some of the areas that you think the Federal Government should address in this area? I know, from your testimony, I got a pretty positive response from you.

Mr. TRIES. I think that the primary area of concern is more of a delineation of the regulatory authority of the State to oversee the gaming. I want people to understand that I am not talking about running it for the tribes. I think they do a wonderful job of that themselves. There are some specific problems that we are dealing with right now.

It is a two-edged sword. On the one hand, some of the tribes are experiencing difficulties with people coming into their casinos and cheating, in a variety of different ways, either using slugs—they are cheating. That obviously requires someone from an entity other than the tribe to become involved in the prosecutorial side. In some cases, they are having a good bit of success at prosecuting them; in other places, they are not having that success. So, that is a problem for the tribes.

On the other side, we at the Gaming Commission get not an insignificant number of complaints on a monthly basis where an individual that has been at a casino feels he was cheated. We have no authority to deal with those things. We effectively refer them back to the tribe. In those cases, you know, they make their complaints to the tribe. The tribe investigates and 99.9 percent of the time, probably a hundred percent of the time, finds out that they have not been cheated, that the games were honest. I think that, if I were that individual, if the only place I could go to make a complaint that I had been treated less than fairly was the entity that I thought had treated me less than fairly, I would probably be a little bit upset about that.

Not to say that there is a problem. I think what we are dealing with is a perception. If there is anything that can damage Indian gaming, it would be a public perception that there is something wrong, that the integrity is not there. What I am talking about is not so much dealing with a problem that exists, but it is effectively like the Wizard of Oz kind of a deal. If you know you can go someplace and get your problems resolved, you are going to feel better about it. Indian gaming needs to maintain its integrity. Anything we can do to keep it that way, I think it is in everybody's best interest.

Mr. ROTH. Well, I really appreciate the testimony here this afternoon, because it was all pretty positive. The problems that are there I think are easily corrected, or it seems to be so.

Mr. QUENE, Chairman Hill's testimony had mentioned using some casino money to expand the boundaries of the reservation and so on. Is that going to create any problems for you? Are all of those things worked out pretty well beforehand?

Mr. QUENE. Well, Congressman Roth, as I mentioned before, we do have some differences; however, we have been trying to work on those things on an issue-by-issue basis. Everyone has the right to acquire property. I think that the avenue that the Tribe has chosen is one that is in their own best interest, and one that is publicly perceived as fair. We do have a very good working relationship with the Tribe, and we are going to continue to deal with those issues as they do come up and try to negotiate something that is mutually acceptable.

Mr. ROTH. Okay. Thank you very much.

Thank you, Mr. Chairman.

Mr. RICHARDSON. Thank you.

Gentlemen, you have given us very very good testimony. Mr. Guccione and Mr. McCarthy, I wish we could see it visually, but I regret we were not able to do it. Over the weekend in a hearing that I chaired on Friday in Washington, Senator Bryan of Nevada released a letter saying that the Secretary of the Treasury, Lloyd Bentsen, wanted the Bank Secrecy Act to apply to Indian gambling also. The issue was money laundering. The issue was allegations of poor accounting. I believe that the Native American tribes said that they are fully supportive of that—in that it should apply to everybody.

Now, you have given us examples of mainly large casinos. Can you conclusively say that your methodology, your security measures can cover most Indian gaming? Where are you focusing? Minnesota? Wisconsin? Just the very successful operations?

Mr. GUCCIONE. All operations. They all have to have basically an electronic accounting system. That has become state-of-the-art. It has been used all over the gaming communities. So, no, this applies to the casino that has 200 machines, a 100 machines, as well as to the casino that has 2,000 machines.

Mr. RICHARDSON. So, a small casino, a large casino?

Mr. GUCCIONE. Absolutely. The prices vary for them, so that it is affordable for any one of them. It allows them to manage their business also. They need to know traffic patterns, everything else, as far as their slot machines go, so they do have them.

Mr. RICHARDSON. What about money laundering? How does that usually work? Would they be susceptible to this?

Mr. GUCCIONE. Correct, but no more susceptible than Las Vegas or Atlantic City would be. As a matter of fact, it would be—how should I say this? It would be less prone to have money laundering in Indian gaming than it would in Las Vegas or Atlantic City because of the extremely high limits. If I want to go in and launder money into a \$100 maximum bet house, just like in Las Vegas, what they are sitting down wanting to do is, anytime someone is in for \$10,000, you have to report that they are in \$10,000 or they have made a \$10,000 transaction within a 24-hour period. It is

rather difficult to do that in Indian gaming with \$100 limits. It just gets very hard to do.

The other point is Indian gaming cannot do much worse at it than Las Vegas is already doing, because they get penalized for it quite often. They get penalized sums of \$100,000 for either failing to report money-laundering situations or situations that could be construed as money laundering, and also because of the fact that they aided and abetted by telling someone about it.

Mr. RICHARDSON. Now, Chairman Tries talked a little bit about the Federal regulatory authority. Who supervises what you do? What Federal regulatory authority comes? Has the FBI, for instance, been in and monitored your security operation?

Mr. GUCCIONE. The National Gaming Commission I guess would be the one that would set the guidelines for how my operation would function. I do not go in and take any management posture. I do not sell any item. I do not sell a computer. I do not sell a security system. I do not sell surveillance. All I sell is the trading and the talent, as Chairman Hill referred to earlier, to bring someone in to train the people as to how to work the table games, how to work the slots, how to work surveillance. So, it is really basically a service that I offer, Mr. Chairman.

Mr. MCCARTHY. Mr. Chairman, I think it is important to note, as well, that each particular property is different, basically by the design of the property. The larger ones are probably more Las Vegas like than the smaller ones. However, what we are suggesting here is that systems are available that are very strong for internal controls for all-sized properties, irregardless of what they are.

Mr. RICHARDSON. Let me turn to Chairman Tries because I thought you gave a very balanced statement. I will insert, for the record, and I should have mentioned it to my colleague from Wisconsin, from the Attorney General, James Doyle, who could not be here, but he has a very comprehensive statement, that dealt mainly with the law enforcement issue.

[Prepared statement of Mr. Doyle follows:]



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

JAMES E. DOYLE
ATTORNEY GENERAL

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June 25, 1993

INDIAN GAMING OVERSIGHT FIELD HEARING
GREEN BAY, WISCONSIN
JUNE 27, 1993

Re: Remarks of Wisconsin Attorney General James E. Doyle
Before the House Subcommittee on Native American Affairs

Dear Chairman and Subcommittee Members:

I am sorry that because of a previous commitment, I am unable to attend your Indian Gaming Oversight Field Hearing. I hope that you get an accurate picture of Indian gaming in Wisconsin and that it helps you in your deliberations.

As Wisconsin's attorney general, I am the state's chief law enforcement officer. Like many states, we have seen an enormous growth in gaming in this state--both tribal and non-tribal--over the last five years. We have gone from a state with limited gambling (bingo and raffles by non-profit groups and Indian bingo) to a state that has a large state-run lottery, five dog tracks, and greatly expanded Indian gaming. My concern is that the law enforcement and regulatory structure in the state be adequate to ensure honest games and the exclusion of the influence of organized crime.

We have worked closely with Wisconsin tribes to ensure that Indian gaming is adequately regulated and controlled. All eleven tribes within the state have reached compacts and seventeen tribal gaming facilities are in operation. While IGRA has led to a number of lawsuits, the state and tribes, through the compacting process, have reached agreement on a number of the most contentious points. Most significantly, the compacts describe the particular games that will be permitted, and they give the state the authority to enforce its gambling laws on the reservation (except in the case of the Menominee Tribe which is not subject to P.L. 280). The compacts have cleared up confusion which existed as to what are the applicable laws and who has authority to enforce them. The compacts recognize the sovereignty of the tribal governments and the mutual interest shared by the state and tribes in seeing that the gaming is well regulated.

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I believe that we have been able to make a smooth transition to the post-compact phase of Indian gaming because of the cooperative efforts of the involved parties. The tribes have been open and cooperative in dealing with the state. I believe that they have found that same openness and cooperation from us. The key issue in successfully implementing the compacts is to coordinate the efforts of individuals and organizations who are new to the process. The people who regulate gaming are very familiar with their role, since most of them have been involved from the beginning, through the litigation and negotiation which preceded the compacts themselves, or because they now work in this field full time. These individuals have a sense of the history of Indian gaming, as well as an in-depth familiarity with the terms of IGRA and the compacts.

The people who have added Indian gaming to their everyday duties are the law enforcement community. Local and tribal law enforcement officers, as well as the district attorneys who prosecute crime, have an entirely new set of issues and circumstances with which to contend. The tribes and our department have worked to educate all parties involved and coordinate their efforts, in order that the laws relating to Indian gaming be fairly and uniformly enforced throughout the state of Wisconsin.

Wisconsin's criminal justice system has always relied primarily on local control. Local police forces are supervised by local officials. District attorneys elected in each of the state's 72 counties have the final word in exercising their prosecutorial discretion as to whether criminal charges are appropriate in any particular case. Although my office administers statewide training and qualification standards for law enforcement officers, as well as training for prosecutors, their decision-making structures are entirely local.

All but one of the compacts provide state law enforcement with complete jurisdiction for investigation and prosecution of gambling crimes. Criminal jurisdiction for state gambling crimes is to be exercised in a manner which is similar to that jurisdiction provided by Public Law 280, which applies to all Indian lands in Wisconsin except the Menominee Reservation. Criminal investigators from the Department of Justice are allowed complete access to tribal gaming facilities and records under the compacts, including the records of management contractors. The state's district attorneys have jurisdiction to prosecute state crimes which occur on Indian lands within the state of Wisconsin, except that they must obtain my approval, as attorney general, for prosecution of gambling crimes on Indian lands.

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In our efforts to ensure a complete understanding of the relevant issues by local law enforcement officials, my office has undertaken a number of training and communication initiatives related to Indian gaming.

Soon after the compacts were finalized, we provided written materials to the district attorneys of each county in which Indian gaming occurs. These materials included copies of the appropriate tribal-state compacts, as well as an explanation of the history of the issue and their new roles.

This mailing to the district attorneys was followed by an educational program on Wisconsin's Statewide Educational Teleconferencing Network. Over 60 individual representatives of the district attorneys' offices in 31 counties participated in this program. Attorneys from my office provided written materials and an in-depth explanation of the history of Indian gaming and the roles of local law enforcement under the compacts. Discussion among the participants in this presentation was lively and productive.

Among the most important programs, however, have been the ones conducted for the benefit of the law enforcement officers themselves. An important concept to remember is that, once compact negotiations are completed and tribal gaming is under way, state and tribal law enforcement are on the same side. Everybody involved is interested in assuring that gaming activity conducted under the compacts is fair, for both the customers and the tribes. We must maintain open lines of communication between tribal gaming facilities, tribal law enforcement, and the other local law enforcement agencies which have jurisdiction over the facilities. We have organized a number of activities to achieve this purpose.

What I believe to be the most significant law enforcement program occurred less than two weeks ago, at the Radisson Hotel here on the Oneida Reservation. The Gaming Enforcement Bureau of the Division of Criminal Investigation in my office, along with the Oneida Tribe, co-sponsored a two-day conference entitled "Law Enforcement and Casino Gaming." Over sixty local and tribal law enforcement officers attended this conference to learn first-hand about the issues surrounding Indian gaming in Wisconsin. I believe this was the first conference of its kind in the nation. It is an essential program which must be duplicated in order to ensure that Indian gaming will remain viable for the long term.

The conference participants were able to tour the Oneida Casino and meet with other officers who were dealing with the same new issues as themselves. Attorneys from my office and the Oneida Tribe presented overviews of the history of Indian gaming, the

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current status of the law, and legal issues which they can expect to encounter in this area. I was able to speak to the group alongside Richard (Rick) Hill, Chairman of the Oneida Tribe and president of the National Indian Gaming Association. The highlights of the conference, however, were demonstrations by experts from Las Vegas and Atlantic City of the various methods in which gamblers can attempt to cheat at blackjack and slot machines. The officers were also shown how such activities can be detected and prevented.

In addition to the most recent conference, the state and tribal law enforcement officials have maintained a long-standing cooperative working relationship through the annual "Multi-Jurisdictional Law Enforcement Conference." That conference has been held every year for the past six years. It is a more wide-ranging discussion of law enforcement issues relating to the participants, and is attended by tribal, state, county, municipal and federal law enforcement authorities. The most recent edition of that conference, held this past November, concentrated entirely on Indian gaming issues, and featured speakers from my office, the United States Attorney's office, and the National Indian Gaming Commission, as well as law enforcement officers themselves.

One other important program which we have initiated in this post-compact era of Indian gaming is a cooperative task force between state and federal law enforcement officials. Representatives of both the criminal prosecution and criminal investigative arms of my office held a series of meetings, soon after the compacts were finalized, with the FBI and the United States Attorneys for both districts in Wisconsin. A strong working relationship was established on these issues, and I am confident that will continue with the new U.S. Attorneys when they are appointed.

These meetings with federal officials were held in order to reach understandings regarding the effective use of limited resources in this area of concurrent jurisdiction. It is important to remember that IGRA created new federal crimes relating to Indian gaming which are applicable notwithstanding state jurisdiction. The federal government also maintains its primary prosecutorial jurisdiction on the Menominee Reservation in Wisconsin.

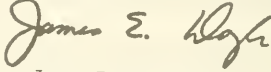
I recognize that Congress is considering various proposed amendments to IGRA. As chair of the Task Force on Gaming of the National Association of Attorneys General, I have been involved in that process. I hope that in considering those amendments, Congress will consider the needs of law enforcement. I believe that in Wisconsin, we are showing that gaming enforcement can be an effective partnership. But we work with limited resources. The

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federal government can assist the states with background checks of individuals and companies seeking to do business with the tribes and with the provision of additional resources for the training of state and tribal law enforcement officers.

Thank you for the opportunity to be heard.

Sincerely,

A handwritten signature in dark ink, appearing to read "James E. Doyle". The signature is fluid and cursive, with the first name "James" being more prominent and the last name "Doyle" written in a more compact, cursive style.

James E. Doyle
Attorney General

JED:js

Mr. RICHARDSON. Chairman Tries, we have heard, in testimony before the Congress, mainly from those concerned about Indian gaming, that the Federal regulatory effort is very weak. In other words, the National Indian Gaming Commission—yes, we have given authority to the Department of the Interior or this Commission. They do not have enough people. They are never around. They just published their regs recently. What do you say to that? How do you balance that with the law enforcement and the day-to-day involvement that your Gaming Commission does with just general oversight of gaming here in this State?

Mr. TRIES. I think that what you have heard is probably a fair and accurate statement. There has been relatively little activity.

Mr. RICHARDSON. I want to thank my good friend and colleague before he has to catch a plane. He is extremely hard-working. He is what we call a workaholic. He is very insistent on not missing this plane, because he probably has a hearing in Washington on Sunday night. I thank my colleague.

Mr. ROTH. Thank you, Mr. Chairman, for coming here to Wisconsin. We appreciate you being here today. We know that is a big sacrifice on your part, and we want you to know we appreciate it a great deal. Thank you very much.

Mr. RICHARDSON. Thank you very much.

Go ahead, Mr. Chairman, I am sorry to interrupt you.

Mr. TRIES. There has been relatively little activity, up until the recent past, by the Federal regulatory agencies that are responsible for this. Within the last two months, there has been, I would say, a significant uptake of activity. We have had visits from various accountants, from the National Gaming Commission. We have had a much closer working liaison with the entities that are responsible for that. I think that that is something that is going to stabilize and get to a point where they will begin to perform that function.

In that intervening period, however, a significant number of the activities that they were responsible for effectively devolved to the States. We are not set up for it. We do not have the authority for it, yet, we are held responsible for it. I think those are some of the things we are talking about. We just do not have that authority. If what I am hopeful for happens, where the Federal entities begin to operate at 100 percent, that will reduce the pressure on it significantly. If that does not happen, we are going to have to deal with it, and we just are not prepared for that.

Mr. RICHARDSON. Chairman Ferries, how many non-Indians in Brown and Jackson Counties are employed in Indian gaming? You mentioned the benefits for Indian gaming. Have there been any down sides that you may want to discuss?

Mr. FERRIES. I can speak for the Winnebago Tribe's employment numbers. We have a total of 1,200 right now employed in three different sites, Wisconsin Dells, Nakusha and Black River Falls. There is some upgrading going on in two of the casinos. With that, and with some of the private industry that we have engaged in, the employment will reach 2,000 by sometime probably in October.

I have not heard of any detrimental, anything bad, from Indian gaming. I believe what these gentlemen are saying is true. The casinos are clean, they are well-run. Again, I would reiterate. I would say that approximately 50/50 split between the tribal members and

the non-tribal members. I would say that, in these communities, that the unemployment—I can speak for my county—the Indian unemployment has gone from a high of 38 percent before gaming, to somewhere in the neighborhood of 11 percent now. I agree that that is coming down. I would also like to reiterate that that has taken our county unemployment from a high of 16 percent down to a low right now of 6.5. So, we haven't had any problems, and we do not want to see it changed.

Mr. RICHARDSON. Now, Mr. Quene, my understanding is that Wisconsin is a Public Law 280 State. Isn't that correct?

Mr. QUENE. Public Law 280?

Mr. RICHARDSON. Right.

Mr. QUENE. Yes, Congressman.

Mr. RICHARDSON. I guess my question is to you and Chairman Tries. What law enforcement duties do the State and the county have with regard to Indian gaming? Are the Tribes contributing, for instance, for your county efforts in law enforcement?

Mr. QUENE. Okay. If it is in dealing specifically with Indian gaming, I guess I would answer the question in this way, Congressman. With regard to the Oneida Nation, they have their own law enforcement agency. Their police officers are deputized by our county sheriff. I believe they are also deputized in Outagamie County as their jurisdiction covers actually two counties. They have full arrest authorities, as would any sworn officer in the State of Wisconsin. What we do is we work in a cooperative effort with the Oneida Law Enforcement Agency in providing necessary services and will serve as back-up to each other on specific calls, whether they be at the gaming operation or elsewhere.

Mr. RICHARDSON. Mr. Chairman?

Mr. TRIES. The Wisconsin Gaming Commission is not a law enforcement entity. Our investigators do not have law enforcement authority. When they are made aware of a criminal violation, they are required, by statute, to turn that investigation over to the attorney general, who has concurrent jurisdiction on any Indian gaming-related matter. If the attorney general chooses not to prosecute, it is turned over to the local district attorney. As far as your question on sharing of cost, for our regulatory efforts, the Tribes make a payment to the State that is divided up amongst the Tribes, dependent upon a number of criteria. It is a lump sum annually, but it is divided up amongst all of the 11 Tribes.

Mr. RICHARDSON. Mr. Chairman, and maybe any of you, I have been examining compacts and Indian gaming in several States. Most entities are fighting each other; my own State of New Mexico, Arizona, and Connecticut, for example. How is it that, comparatively, you seem to be resolving your problems? I mean, what is it about Wisconsin that, besides obviously very reasonable and effective public officials and tribal leaders, that has made this process work?

Sure, there are improvements that need to be made. Sure, perhaps we need to clarify some things; but, is there anything, Mr. Chairman, that you think that your State has done that has allowed you to come to this hearing with constructive suggestions, positive comments and constructive criticism, instead of lawsuits and fights and pleas to the Congress?

Mr. TRIES. Well, this situation we are in, it is not to suggest that, at one point in time, there was not litigation between the State and the Tribes. There was. After Judge Barbara Crabb made a decision that effectively opened the doors to Indian gaming in Wisconsin, there was a consensus, on the part of the political leadership, the Governor, and the legislature to deal with it. It is here, it had to be dealt with, and they went forward honorably and dealt with it—not to say that there is not a continuing litigation. There are still problem areas we litigate between ourselves, but it is done in, I think, a respectful way. There are disagreements, but not disagreeable disagreements.

I think Wisconsin political leadership just decided to deal with it. It is here, there is nothing we can do about it, at least not in the short run. We have to deal with it for seven years, and we dealt with it as honorably as we could. I think it is a testimony to both parties that we have the type of relationships that we have.

Mr. RICHARDSON. Well, I must say, I am very impressed.

My last question to Mr. Guccione.

You have had experience in Las Vegas. Have you had experience in Atlantic City, also?

Mr. GUCCIONE. In the training method.

Mr. RICHARDSON. Okay.

Mr. GUCCIONE. Atlantic City is so over-regulated that there is not too much to do there.

Mr. RICHARDSON. Answer the question that I asked of the public officials. I think I more or less know what your answer will be. You have seen this from a technical gaming standpoint, although you do sound like a politician, also. What has made this work here and why are Nevada and Atlantic City so concerned about Indian gaming?

Mr. GUCCIONE. Okay. Let me touch on it in two parts, if I could. Number one, I could probably more easily touch on Minnesota, because of the fact that that is where I have spent more time. When I first went there approximately three years ago, and started working with the Tribes and the Minnesota Indian Gaming Association and, more specifically, Leech Lake, there was a lot of controversy in that going on concerning Indian gaming, a lot of in-fighting and everything else. I think that, as the time went on, the public perception of how the Indian people were handling their casinos and how professionally they were doing it changed a lot of their opinions. Once they saw the monies that Indian gaming generated to the local communities in the areas, they started being on the side of Indian gaming.

I guess probably one of the best examples I can give, and it just amazed me—I would have never seen this in Las Vegas—in Leech Lake, that reservation purchased a \$75,000 Skywatch system. The people in the town complained because they stated they moved to the north land to appreciate the celestial beauty, and they did not appreciate the lights confusing it. The Tribe voluntarily got rid of it and apologized to the community for what they did. The community thanked them and appreciated the thing. So, that is why I think it went so good in Minnesota and I think why it is going good in Wisconsin. They are finding out that it is a benefit to everybody.

As far as the other question, that had to do with Las Vegas being afraid of it. Las Vegas was afraid of Atlantic City, and found out Atlantic City was not going to hurt it. They decided to jump on the bandwagon. Now, most of the casinos in Atlantic City are owned by Las Vegas entrepreneurs. Las Vegas has now found out that Indian gaming is not going to hurt it, so now you have a lot of Las Vegas casinos out trying to get into Indian gaming. So, once they realized that there is a winner, they just jumped on the bandwagon.

Mr. RICHARDSON. Well, I want to thank this panel for some very good testimony.

Thank you all very much.

Our third panel, the Honorable Gaiashkibos, president of the National Congress of American Indians. We would like him to step up. The Honorable JoAnn Jones, chairwoman, Wisconsin Winnebago Business Committee; the Honorable Glenn Miller, chairman, Menominee Indian Tribe of Wisconsin; Mr. Gary Ehman, communications director, Stockbridge-Munsee Nation. JoAnn Jones will be accompanied by counsel, Mary J. Pavel.

I want to welcome our third panel. I want to thank the audience for being very polite and positive. We appreciate it. We know it is a long hearing. What this Subcommittee wants to do is get as much testimony as possible before dealing with this issue. This is the fourth hearing we have had. I want to commend the audience again for their very positive participation.

Let me now recognize the president of the National Congress of American Indians, who I welcome again. We work very closely with his organization. If you were all watching the inauguration of our new President, you saw him prominently featured early on at the Washington Monument ceremony. I am very happy that he is here. Please proceed, Mr. President.

PANEL CONSISTING OF HON. GAIASHKIBOS, PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS; HON. JOANN JONES, CHAIRWOMAN, WISCONSIN WINNEBAGO BUSINESS COMMITTEE, ACCOMPANIED BY MARY J. PAVEL, ESQ.; HON. GLENN MILLER, CHAIRMAN, MENOMINEE INDIAN TRIBE OF WISCONSIN; AND GARY EHMAN, COMMUNICATIONS DIRECTOR, STOCKBRIDGE-MUNSEE NATION, BOWLER, WI

STATEMENT OF MR. GAIASHKIBOS

Mr. GAIASHKIBOS. Yes. Good afternoon, Mr. Chairman. My name is Gaiashkibos. I am the president of the National Congress of American Indians. I am also the chairman for the Lac Court Oreilles Band of Chippewa Indians of Lake Superior located here in northern Wisconsin. I want to welcome you to Wisconsin as well.

The National Congress of American Indians is the oldest and largest national inter-tribal organization. NCAI has promoted the rights of American Indians and Alaskan Native governments since it was founded in 1944. We are grateful that this Subcommittee has held this field hearing here in Green Bay to hear testimony from tribal leaders on one of the most important issues facing tribes today. NCAI wishes to express their support today for listening and negotiating strategies being undertaken by congressional

Committees in consideration of possible amendments to the Indian Gaming and Regulatory Act, IGRA.

Tribal leaders from Wisconsin and surrounding States will give you specific information about the crucial role that Indian gaming has played in their communities, the benefits it has brought and the issues it has raised. Indian gaming is an important issue to NCAI, not only because of the economic benefits it has brought to Indian country, but also because we support sovereign governmental authority of tribal governments, as confirmed in the *Cabazon* case.

Adverse amendments to IGRA proposed in various bills pending before Congress, which would subordinate Tribes to State authority related to gaming issues, are objectionable and contrary to tribal sovereignty.

We are aware that in the House of Representatives six different bills have been introduced this session with the expressed purpose of amending IGRA. Only one of the bills, the Torres' bill, H.R. 1026, would amend IGRA from the Tribe's vantage point by addressing the concerns raised by Tribes about the States, asserting the Tenth and Eleventh Amendment defenses. Given this flurry of activity by other members, this Committee's resolute stance to listen and learn, and not to be sped along by the process of others, is admirable. As you stated, Chairman Richardson, at the Subcommittee's June 7 oversight hearing, even the introduction of the Reid-Torricelli bills has not persuaded the Subcommittee to change its course on conducting oversight hearings and gathering information so that any eventual action by the Subcommittee and full Natural Resources Committee may be taken from the most informed perspective.

We are also grateful for the leadership of Committee Chairman Miller on the issue of Indian gaming. We strongly agree with Chairman Miller's statement that any amendments to IGRA must be examined through the lenses of tribal sovereignty. As he has recently noted, many of the allegations about Indian gaming that are made by Members of Congress have no basis in fact. We count on his assistance in setting the record straight with the Members of the House.

With respect to the process initiated by Senator Inouye and McCain, NCAI has joined with the National Indian Gaming Association to create the NIGA/NCAI Task Force on Indian Gaming. The Task Force is in support of a process of dialogue among tribal leaders, governors and attorney generals. We appreciate the leadership of the Senate Indian Affairs Committee chairman and vice chairman to seek to identify areas where there may be common ground and consensus with legislation to amend IGRA might address.

Mr. Chairman, I know that this Subcommittee has previously been told that tribal governments swallowed a bitter pill of compromise in 1988 by accepting the tribal state compact provisions in the original IGRA. IGRA gave no rights. IGRA gave no privileges to Tribes, but instead took them away. If any party had any provisions of the original IGRA shoved upon them, it was the Tribes, not the States, which now so voraciously want to undo or get out of the compacting process.

If I can, I would just like to take a moment and just note here that the States lobbied hard for the Federal oversight and State involvement. Now they object to the process that they asked Congress for in the first place. What this all boils down to is power and control.

In regard to a question that was asked earlier in regard to taxation, I would just like to point out that the Tribes in the 700 treaties that have been negotiated, the tribal people and tribal government and tribal leaders of the past have paid the taxes for their generation and for future generations to come. I would just like to say and remind you, Mr. Chairman, that a tribe is a government that uses gaming for services and other government functions—no different than what the States do today.

Here in Wisconsin the State enacted a State lottery, with the intent purpose for property tax relief. There are no taxes paid on that whatsoever either. Tribes do not pay Federal or corporate taxes on income, neither does the State of Wisconsin. If you are suggesting that the Federal Government should tax Tribes, then we assume that the States would be taxed on their income, such as lotteries as well. It should be noted that all employees of Indian gaming—Indians and non-Indians—pay Federal income tax, and non-Indian employees also pay State taxes. I just wanted to make that point.

Despite the stubborn refusal of some States to enter into good faith negotiations with Tribes, 18 States have already entered into 83 compacts with 66 different Tribes for the conduct of various forms of gaming under the authority of the Indian Gaming Regulatory Act. Tribal gaming proceeds have become fundamentally important to Tribes all over Indian country in helping them provide vital government services to the members in such areas as health care, housing, job training and education. Most important, the expansion of the reservation gaming has created thousands of jobs for Indians and non-Indians throughout Indian country and in surrounding areas. The result has been the expansion of reservation economies that has never before been experienced.

The change in the law sought by some for clarification of the Act and to provide clearer guidelines for negotiating compacts are really proposals to cut back or destroy the basic tribal rights that the 1988 Act assured. Many states which broadly permit various kinds of gambling want to undo the compromise worked out in the 1988 law that made it clear that Indians could conduct the kind of gaming activities that the States allow their own citizens.

To now require Indian Tribes to be subjected to all of the details of State regulations, in addition to applicable tribal regulations, would make many gaming facilities unprofitable and unworkable, and the bright promise of a better economic future on reservations that gambling has brought to Tribes will be destroyed.

As you have stated, Mr. Chairman, the implementation of the Indian Gaming Regulatory Act is one of the most important Indian affairs issues this Committee and the Full Natural Resources Committee will examine during the 103d Congress. The National Congress of American Indians applauds your cautious and thorough approach to amending IGRA, especially in determining if the amendments are even necessary. NCAI and member Tribes who are both gaming and non-gaming Tribes, look forward to continuing

to work with this Subcommittee, and participating in a dialogue about Indian gaming.

In conclusion, what I would just like to present also as part of my record is an article that just recently appeared, in fact, in today's paper, the *Milwaukee Journal*. It states here: "Police crack down on video gambling." What I would just like to state here, in response to the Gaming Commission here in regards to asking for more regulatory oversight of Indian Gaming, I want to point out that in this article, and we are well aware of this, that there are over 5,000 illegal machines right now in taverns throughout the State of Wisconsin. How can the Gaming Commission ask for greater oversight when they cannot control the illegal machines that currently exist in the State right now.

I also want to point out, as did Mr. Tries, that Tribes do pay a significant amount of dollars back into the State of Wisconsin for regulations, as well as to the State Gaming Regulatory Commission. I just wanted to make that last point.

I thank you very much for your time. I welcome you here to Wisconsin. I wish that you could stay here throughout our convention. Thank you very much.

[Prepared statement of Mr. Gaiashkibos and attachment follow:]

STATEMENT OF GAIASHKIBOS,
PRESIDENT,
NATIONAL CONGRESS OF AMERICAN INDIANS,
BEFORE THE
HOUSE NATIVE AMERICAN AFFAIRS SUBCOMMITTEE
FIELD HEARING ON INDIAN GAMING

June 27, 1993

Mr. Chairman and members of the Subcommittee, my name is Gaiashkibos and I am the President of the National Congress of American Indians (NCAI), the oldest and largest national intertribal organization. NCAI has promoted the rights of American Indian and Alaska Native governments since its founding in 1944. We are grateful that this Subcommittee has held this field hearing to hear testimony from tribal leaders on one of the most important issues currently facing tribes during our mid-year convention. NCAI wishes to express our support today for the listening and negotiating strategies being undertaken by congressional committees in consideration of possible amendments to the Indian Gaming Regulatory Act (IGRA).

Tribal leaders from Wisconsin and surrounding states will give you specific information about the crucial role Indian gaming has played in their communities, the benefits it has brought and the issues it has raised. Indian gaming is an important issue to NCAI, not only because of the economic benefits it has brought to Indian country but also because we support the sovereign governmental authority of tribal governments as confirmed in the Cabazon case. Adverse amendments to IGRA proposed in various bills pending before Congress, which would subordinate tribes to state authority related to gaming issues, are objectionable and contrary to tribal sovereignty.

We are aware that in the House of Representatives, six different bills have been introduced this session with the express purpose of amending IGRA. Only one of these bills, the "Torres bill," H.R. 1028, would amend IGRA from the tribes' vantage point, by addressing the concerns raised by the tribes about the states asserting 10th and 11th Amendment defenses. Given this flurry of activity by other members, this Subcommittee's resolute stance to listen and learn and not be sped along by the processes of others is admirable. As you stated, Chairman Richardson, at the Subcommittee's June 7 oversight hearing, even the introduction of the Reid-Torricelli bills has not persuaded the Subcommittee to change its course on conducting oversight hearings and gathering

information so that any eventual action by the Subcommittee and full Natural Resources Committee may be taken from the most informed perspective. We are also deeply grateful for the leadership of full Committee Chairman Miller on the issue of Indian gaming. We strongly agree with Chairman Miller's statement that any amendments to IGRA must be examined through the lens of tribal sovereignty. As he has recently noted, many of the allegations about Indian gaming that are made by members of Congress have no basis in fact, and we count on his assistance in setting the record straight with members of the House.

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Mr. Chairman, I know that this Subcommittee has previously been told that tribal governments swallowed a bitter pill of compromise in 1988 by accepting the tribal-state compact provisions in the original IGRA. IGRA gave no rights, IGRA gave no privileges to tribes, but, instead, took them away. If any party had any provision of the original IGRA shoved upon them, it was the tribes, not the states, which now so vociferously want to undo or get out of the compacting process.

Despite the stubborn refusal of some states to enter into good faith negotiation with tribes, 18 states have already entered into 75 compacts with 58 different tribes for the conduct of various forms of gambling under the authority of the Indian Gaming Regulatory Act. Tribal gaming proceeds have become fundamentally important to tribes all over the country in helping them provide vital governmental services to their members in such areas as health care, housing, job training, and education. Most important, the expansion of reservation gaming has created thousands of jobs for Indians and non-Indians throughout Indian Country and in surrounding areas. The result has been an expansion of reservation economies that has never before been experienced.

The changes in the law sought by some for "clarifications to the Act" and "clearer guidelines for negotiating compacts" are really proposals to cut back or destroy the basic tribal rights that the 1988 Act assured. Many states which broadly permit various kinds of gambling want to undo the

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compromised worked out in the 1988 law that made it clear that Indians could conduct the kind of gaming activities that the states allow their other citizens. To now require Indian tribes to be subjected to all the details of state regulation in addition to applicable tribal regulations, would make many Indian gaming facilities unprofitable and unworkable, and the bright promise of a better economic future on reservations that gambling has brought to tribes will be destroyed.

As you have stated, Mr. Chairman, implementation of the Indian Gaming Regulatory Act is one of the most important Indian affairs issues this Subcommittee and the full Natural Resources Committee will examine during the 103rd Congress. The National Congress of American Indians applauds your cautious and thorough approach to amending IGRA, especially in determining if amendment are even necessary. NCAI, with member tribes who are both gaming and non-gaming tribes, looks forward to continuing to work with this Subcommittee and participating in the dialogue about Indian gaming.

Sunday

June 27, 1993

Metro & State

Dennis McCann

Every community has a gimmick. For Norwalk, it's Black Squirrel Days. B3

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Police crack down on video gambling

Seizure of 3 machines meant as a warning to tavern owners

By MICHAEL R. ZAHN
of the Journal Staff

The Milwaukee Police Department has seized three video gambling machines from taverns, and the district attorney's office is warning tavernkeepers that the devices are illegal.

The vice squad's gambling unit seized two video poker machines

— one labeled Joker Poker and the other called Riviera — from a tavern on S. 13th St. on Tuesday.

The next day, police seized a video slot machine from a tavern on W. Grant St.

The tavern machines look like video arcade games, with music and flashing lights. They are designed to lure in customers and encourage them to play. Some accept \$20 bills. The machines themselves do not dispense cash to winners, but there is generally an understanding between the players and the bartender that the bartender will pay off winners.

Asst. Atty. Stephanie

Robstein said late last week that she was announcing the seizures in advance of issuing criminal charges because "I want people to know that these machines are not legal."

"A lot of people feel that since there hasn't been real active enforcement, they've gotten away with confiscation and warnings, that these machines are OK and the authorities are just going to overlook them," Robstein said. "But I'm telling you now that the police are not going to overlook them and neither am I."

Similar messages were sent last year elsewhere in the state. In Wal-

kesha County, authorities confiscated nine machines from eight taverns in March 1992, and similar police raids took place last year in Dane and Dunn Counties and in Oshkosh after Atty. Gen. Jim Doyle declared the machines illegal.

Authorities have estimated that at least 5,000 illegal video gambling machines are being played in taverns in Wisconsin.

A Journal poll in February found a majority of Wisconsinites opposed legalization of video poker and other forms of video gambling.

The bar owners in Milwaukee

face a felony charge of commercial gambling, Robstein said. She plans to review the seizures this week.

"The law allows the police department to confiscate these machines as contraband even if criminal charges are not brought," she said. "If the police find a person who possessed them is not charged for some reason.

A machine may cost a tavernkeeper \$2,000 or more, according to Detective Charles Liefert, who with Detective Gary Schreiber

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From page 1

comprises the vice squad's gambling unit.

Bar owners may also lease the machines, splitting the take with the company that placed the machines there. For that reason, the machines keep a record of transactions.

One factor that makes the gambling machines different from legal games, such as pinball, is that the bar owner can be unknown to the player. The machines also lack an internal mechanism, Robstein said. "One of these machines had only a 35% rate of payout," she said.

Liefert said similar machines at Potawatomi Bingo in Wisconsin's Fox Valley paid off at a rate of 86%. Those machines are legal because the bingo parlor is run by an Indian tribe under agreements with the federal and state governments.

Mr. RICHARDSON. Thank you, President Gaiashkibos.
The Chair recognizes Chairwoman JoAnn Jones.

STATEMENT OF JOANN JONES

Ms. JONES. First of all, Mr. Chairman, I would like to welcome you to Wisconsin. This is the original homelands of the Wisconsin Winnebago Tribe. We greeted Nicholay in the 1600s on the shore of the Redbanks, not far from here. So, we welcome you to Wisconsin.

I am JoAnn Jones of the Wisconsin Winnebago Tribe. I am the elected chair of 4,700 members. Our tribal trust lands consist of 700 acres, located in 16 counties in the southern portion of Wisconsin. The Winnebagos have long-suffered at the Indian policies of the United States. We were forced to sell millions of acres of lands for pennies in this State. The Winnebagos were forcibly removed eight times from the State of Wisconsin to inhospitable territories, such as South Dakota, Iowa, Nebraska and other States. The Winnebagos paid for these removals. From the treaty sessions we paid for our own removals for these areas. This history and the Federal Government policies left our people poor and, in many instances, without any hope.

Today, I come before you to tell you about gaming and the Winnebagos. We have experienced all aspects of Indian gaming, good and bad. I want to begin our testimony with our dealings with Mr. Glen Corrie, a greedy gaming vendor who, on June 16, pleaded guilty to bribing our tribal officials. When Mr. Corrie came to our Tribe he knew the poverty of my people. He used money. He used promises of money to become involved in our Class III operations. He tried to control our government and he interfered with our internal tribal affairs. Corrie is gone now. He is on his way to prison; but there is one thing I want to make clear—that is, it was our people, the Winnebago people, who were responsible for sending him on his way. It was my people who worked long and hard to uncover what he was doing and overcome many obstacles to expose his tactics and his influence.

How did we find this out? How did this happen to the Winnebago Tribe? It led back to our Constitution. Our boilerplate Constitution provided by the Bureau of Indian Affairs made us dependent on other governments to enforce our decisions. We had gone to many Federal agencies for assistance, but it is we, as Winnebago people, who used demonstrations, protests, sit-ins before anybody who would listen. At our initiative, the Federal Government, the Federal Court, the United States Attorney, on behalf of the Winnebago Tribe, and the Western District, removed Corrie from our facilities. In the meantime, he was ordered to repay funds he misappropriated from our people, almost \$2 million.

The evidence was so strong against Corrie that he was forced to plead guilty. During this process he almost forced us into bankruptcy. We lost many of our Federal programs due to his interference, and he caused a deep division within our Tribe. It was the governing board that had gotten back together after this division and rebuilt the tribal government. We worked doubly hard to get our government back together. We represented a great people who helped us do that.

We have not fully recovered from this incident. What has happened is we have made tremendous strides and progress because of Indian gaming. Our budget this year was \$19 million. A year ago we were \$3 million in debt. We have learned that we have to be vigilant about our gaming industry. We have established procedures for background checks on key employees that are stronger than are State and Federal requirements. We hope that our experience will help others in other Tribes not fall into the same situation.

What gaming has done for us is we have been able to diversify our economy. We have gone into joint ventures with the State. We have gone into joint ventures with counties over waste facilities. We have also started a Tribal Plaza on the interstate where we paid cash, \$1 million for site, and we are starting this tribal site. Today, in our newspaper, the *Wisconsin State Journal*, we also are purchasing 600 acres on a Wisconsin River for a historic preservation park. We are reclaiming the Indian mounds on that river.

The Indian Gaming Regulatory Act, has three purposes, as you well know—to promote tribal economic development, self-sufficiency and strong tribal government.

Indian gaming in Wisconsin has done all of these things and more. As you heard from the Jackson County chairman, we do employ 1,200 people. Nearly 85 percent of our people are employed at the gaming enterprises. We have taken many off of our unemployment rolls. Our employment has tripled in the last year. Statewide, Indian gaming has taken 2,200 off of welfare and unemployment rolls. According to Wisconsin Health and Social Services Secretary, Gerald Whitburn, State aid to Indian families has dropped 32 percent. He credits Indian gaming as a major reason for this drop.

A year ago, a good number of our employees were collecting money from the Government. Now they are paying taxes, \$3.4 million in State and Federal taxes. Contrary to those who say that Indians do not pay taxes, we pay our fair share of taxes. Indian gaming has allowed us to do what other Governments have taken for granted. Indian gaming has strengthened our governments.

We are revising our Constitution today to meet the needs of our people tomorrow. We are developing tribal courts, law enforcement, and a stronger internal government to face the future of our children and our people generations down the road. For too long our people have lived in poverty. We are going to provide for them.

When Indian nations sign treaties with the United States, we retained the sovereign right to govern our people and make that determination on how we should use our land.

It is not just the Indian people who understand the benefits of Indian gaming. More than 65 percent of the Wisconsin voters, support our right to operate casinos. I would like to submit letters from individual vendors and business people who support the Indian gaming. Indian gaming is the means to achieve what no State

or Federal economic development program has done in 200 years. It has returned self-respect, economic self-sufficiency. Indian gaming needs to remain a sovereign right of tribal governments, because, at this time, it is the best hope for a new beginning for us.

Thank you.

[Prepared statement of Ms. Jones follows:]

TESTIMONY OF
JOANN JONES
CHAIRWOMAN
WISCONSIN WINNEBAGO BUSINESS COMMITTEE

Before the
United States House of Representatives
Subcommittee on Native American Affairs
of the Natural Resources Committee

June 27, 1993

Mr. Chairman and members of the Committee, I am JoAnn Jones, the elected chair of the Wisconsin Winnebago Nation, an Indian nation of 4,700 people. Our tribal trust lands consists of 700 acres in 16 counties in the southern portion of Wisconsin.

Before Wisconsin existed, the Winnebago Nation had long sustained themselves on good farm land. Our people tell of corn fields larger than the distance covered when you shoot an arrow three times. In the lifetime of some of my Winnebago elders, our people were removed at gunpoint, put in boxcars and shipped to Nebraska in the middle of winter. What crime did they commit? None. Except they were born and raised on good farm land that the settlers wanted.

The Winnebago have long suffered at the hands of the United States. We were forced to sell millions of acres of land for pennies. Although continuously pressured by non-Indian miners, lumbermen, and settlers for our lands, the Winnebago refrained from war against our non-Indian neighbors. Notwithstanding this, the Winnebago were forcibly removed eight times from our homes to inhospitable territories such as South Dakota, Iowa, Minnesota and Nebraska. The Winnebago were forced to pay for each of these removals. Many of our people hid out and endured great hardships to return to our ancestral homelands in Wisconsin. Although Congress permitted the Tribe to bring suit against the United States for the damage done to them, the courts refused to make the Winnebago whole for their losses.

This history and the federal government's policies left our people poor and in many instances without hope. Today I come before this Committee to let you know how the gaming industry has impacted the Winnebago Nation. The Winnebago Nation has experienced all aspects of Indian Gaming; from its first Class Two operations to the current struggle to retain our rights.

I want to begin my testimony by dealing with an issue that has been in the press regarding the Winnebago's involvement with the Jenna Corporation and its owner Mr. Glenn Corrie. On June 16, 1993, this individual pleaded to guilty to bribing tribal officials. When Mr. Corrie came to our tribe he knew the poverty of my people; and he used money and promises of money to become the manager of our Class III operations. He used money to keep and increase his power. He interfered with tribal affairs and attempted to take control of tribal government. Mr. Corrie is gone now and is on his way to prison. **But there is one thing I want to make clear. It was my people who put him on his way.** My people worked long and hard and overcame many obstacles to uncover and expose Mr. Corrie's tactics and influence.

This incident is a testimony to the need for the federal government to recognize the sovereign powers of tribal governments. When our Tribe reorganized, we adopted the boilerplate Constitution provided by the BIA. That Constitution made us dependent on

other governments for enforcement. What we found when we tried to remove Corrie was that no agency would listen to us when we told them what Corrie was doing. We had to use demonstrations, protests and sit-ins before anyone would listen. Finally, with the help of the White Earth Chippewa from Minnesota, the Minneapolis Chief of Police, and the Milwaukee Sentinel reporters, people began to listen.

Federal Judge John Shabaz determined that Corrie took nearly \$2 million from the Tribe during his involvement with us. At our initiative, the federal court removed him from power and ordered him to repay funds he misappropriated from our people. The evidence against Corrie was so strong that he was forced to plead guilty to bribery. He nearly forced us into bankruptcy. We lost our access to state and federal programs due to his interference in Tribal affairs. Corrie caused a deep division in the Tribe which was healed in March of 1992.

It has been up to the Business Committee members to rebuild what was broken. We have had to work doubly hard not only to gain back the respect of individuals like yourselves on the Committee, but more importantly our people. Indian people place an incredible amount of trust in their leaders. It is a trust I hold very sacred to my heart. Every day I remember who placed me here and how fortunate I am that I can come before you and represent such great people.

We have made tremendous progress in the last year because we have had the benefit of Indian gaming. We have not fully recovered, but we have learned. We have established procedures for background checks on key employees that are stronger than the state and federal requirements. Our investigators have found evidence on people who wanted to work for us, that no state or federal law enforcement agency had. We will not make the same mistake. We hope our experience will help ensure that other tribes will not fall prey to the same situation. However, you should realize that it was not gaming that caused this problem it was the severe poverty and hopelessness of my people. Now today things have changed; my people are working and can no longer be enticed by the likes of Corrie.

Indian gaming is not about gambling. It is about survival and bringing my people out of the third world conditions that they have lived in for generations. It is about sovereignty and the right of one government to operate free from the interference of another government. Finally, it is about an agreement and compromise worked out among sovereign governments.

When Congress passed the National Indian Gaming Regulatory Act it said the Act had three purposes: Promote tribal economic development, self-sufficiency, and strong tribal government. Indian gaming in Wisconsin is doing all of these things and more.

I have heard the testimony given at the recent hearings regarding the positive impact that Indian gaming has had on not only tribal but local economies. The situation is not any different in Wisconsin, but the facts bear repeating.

The Winnebago Nation employs more than 1,000 people. Nearly 85% of these people are employed at our gaming enterprises. Employment has tripled in the last year. Nearly one half of these employees are non-Indian. Winnebago enterprises and our government will purchase more than \$27 million in goods and services from vendors in this fiscal year alone. More than 180 Winnebago gaming employees came from the welfare rolls. Statewide, Indian gaming jobs took 800 people off welfare and 1,400 more from the unemployment rolls. Casino income is the sole support for the families of nearly eighty percent of our casino employees. According to Health & Social Service Secretary Gerald Whitburn, state aid to Indian families has dropped 32%. He says that Indian gaming is a major reason for this drop.

Indian gaming has also been a great benefit to the larger community. For example, in Sauk County where one of our casinos is located, unemployment in 1991 was 30% above the state average, and now it is only 3% above the state average.

In Wisconsin alone Indian gaming has created 4,500 jobs. Is there someone that has 4,500 jobs to put these Wisconsin people to work? According to the Department of Commerce study, when government creates jobs it cost \$20,000 per job. Does someone have the \$90 million necessary to replace the 4,500 jobs threatened by the attacks on Indian gaming?

When we talk about the jobs created by Indian gaming, people are quick to ask if they are good jobs. Our enterprises' employees earn an average of more than \$19,000 per year, 45% more than the average person in the recreation industry. Then they ask about benefits. After a 90 day probationary period all of our employees receive a comprehensive health, dental, and life insurance package. This package costs \$430.40 per month for family coverage. The employee pays 15% of the costs and the Winnebago Nation covers the rest. Our expenditure for health care coverage this year will exceed our total budget of 5 years ago.

I simply want to ask our opponents what will replace this? And why do they want to put an end to it? Is it as simple as Mr. Trump's motive: greed and a fear of competition, or as complicated as the ideas of paternalism and morality, which have driven this country's Indian policy for two hundred years.

Indian gaming has allowed our governments to do many of the things your government takes for granted. We have strengthened our governments. The Winnebago

are revising our Constitution to meet the needs of our people. We are also developing tribal courts and a stronger internal governmental organization.

The Winnebago Nation has no natural resources and we do not have a significant land base, and yet we are expected to provide the same governmental services that the Navajo or the Yakima tribes provide their members. We cannot depend on the federal government to provide us with the money to provide these services. We cannot depend on the state government to give us the money to provide these services. And we do not want to. We want to provide for our own. In order to do this we need a stable tribal economy. This economy must provide jobs for our people, both skilled and unskilled. This economy must return money to our community and the pockets of our people. And finally, this economy must allow us to diversify so we can sustain our economy into the future. We know that diversification is the key to economic survival and that is what we are doing. Gaming has provided the Winnebago with this kind of economy.

For too long our people have existed in poverty. They have been denied jobs. They have been less likely to get to college. They have suffered long and died young.

We have choices. We can continue to deny them the services they need. State and federal spending can increase to provide these vital services. Or, Indian tribal governments can fill the need. What revenue sources are available? We can't use an income tax, there is little income to tax. We can't use a sales tax. There are few sales on Indian reservations. And if we instituted a sales tax there would be no sales to tax. The one source of revenue we have is from our gaming enterprises.

Much of the success of our enterprise is the result of the support we have received from the non-Indian people of Wisconsin. It is largely the non-Indians of Wisconsin that have patronized our operations and many of our employees are non-Indians. We understand and appreciate why we are successful.

We have put our people and many of your people to work. We have embarked on projects that will educate our young, care for our elders, heal our sick, house the homeless and diversify our income so our people will have jobs into the future. There are needs on our reservations that must be met. Indian gaming allows us to meet those needs without a demand on tax dollars.

A year ago a good number of our employees were collecting money from the government and today they are paying taxes. We pay federal/state, FICA, unemployment insurance, real estate, sales, liquor, gas, cigarettes and motor vehicle taxes. The Winnebago Nation and their employees paid more than \$3.4 million in state and federal taxes in 1992.

Much is made about the fact that Tribal enterprises do not pay corporate taxes. Does Milwaukee county pay taxes on its income at the zoo or museum? Does Madison pay taxes on its income at the Civic Center? Do states pay corporate income taxes on their lotteries? Other Governments don't pay income taxes on their revenues.

Indian gaming provides self respect.

Indian owned and operated enterprises and the jobs they provide have brought a return of self respect and self sufficiency to Indian reservations.

Indian gaming has brought an unprecedented level of interracial dialogue.

It is both unfortunate and fortunate that in the past year there have been more conversations between Indians and non-Indians in gaming halls than in the prior ten years in the entire state.

Our gaming enterprises have allowed us to directly benefit the larger community. We have given more than \$120,000 to charities. Make no mistake, these contributions would not be possible without our right to determine how we raise our governmental revenues; without our right to have Indian gaming.

I and my counterparts are leaders of sovereign nations. Our people have been here since the beginning of time. When our nations signed treaties with the United States of America we retained the sovereign right to govern our people and make the determination on how we should use our land. I wonder how Nevada would feel if Utah demanded that Nevada end its gaming. The decision to operate a casino has been delegated to the council by our people. We should not be second guessed by anybody but those who put us in office.

I know that the governors feel that the IGRA divests them of control over gaming policy in their states. They express concern that they do not want casinos on every Indian reservation state wide, but that they cannot prevent this under the IGRA. This view is simply incorrect. One of the most important features of the IGRA is that it does not allow gaming contrary to the public policy of a state. Thus, as I see it, states likely have the ultimate power to stop Indian Class III gaming if they are willing to do the same to their other citizens. That seems to me the most a state can fairly expect -- it should not be able to allow its non-Indian people to carry on an activity and deny it to Indians.

Now states have come forward and have asked that IGRA be amended. Our position has always been that IGRA does not need to be amended. It is working in those places where the States and Tribes come together and work out agreements among themselves. That is the key: sitting down one on one and working out an agreement and negotiating in good faith as the law requires. When this is done it works for the benefit of the tribes and

states. We will -- and have always been willing to -- sit down and discuss solutions to the states' concerns. However, we will not accept any more infringements on our rights or any proposal that may harm the economic security of our future generations.

It is important for the Committee to know it is not just Indian nations that understand the benefits of Indian gaming. More than 65% of the people of Wisconsin support our right to operate casinos on our reservations. I would like to submit for the record letters from business people who also recognize our right to operate gaming enterprises on our tribal lands.

Tribal governments realize that a gaming casino is not an end in itself. It is a means to achieve what no state or federal economic development program has been able to achieve for Indian people in the 200 years -- the return of self respect and economic self-sufficiency. Casino gaming needs to remain a sovereign right of tribal governments because it is our strongest chance for a new beginning.

I would like to thank the Committee for taking its time to hear our testimony and for its continuing commitment to Indian tribes. I would be pleased to answer any questions you may have.

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Testimony of Chairwoman JoAnn Jones, Wisconsin Winnebago Tribe
June 27, 1993
Subcommittee on Native American Affairs
of the House Natural Resources Committee

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Mr. RICHARDSON. Thank you, Madam Chairwoman. We will let the record show that you are accompanied by Mary J. Pavel.

Ms. JONES. Yes, Pavel, of Sonosky and Chambers.

Chairman Miller, the Honorable Glenn Miller, Chairman, Menominee Indian Tribe of Wisconsin. Welcome, Mr Chairman.

STATEMENT OF HON. GLENN MILLER

Mr. MILLER. Thank you, Mr. Chairman.

Chairman Richardson, it is a pleasure to have you in Wisconsin and to hear about a very important issue that affects the Tribes in Wisconsin, as far as their economic future is concerned. The Menominee Indian Tribe of Wisconsin suffered a devastating experiment by the Federal Government in the early 1950s and 1960s, which was termination. The Tribe was a very self-sufficient Tribe. It paid all of its own superintendents, paid all of its services, its own law enforcement, all of the social programs, had its own hospital. As a result of the termination act, the Tribe was terminated and became Wisconsin's 72nd and poorest county, known as the "pocket of poverty" in Wisconsin.

The Tribe fought very hard from its own money that it had in the United States Treasury to reverse that process, to submit its own plan. As a result of the long, hard road, and support from many Tribes across this great Nation, the Menominee Tribe was restored in 1973. Still facing the devastating effects and the impact of termination, all Federal services were cut off from our Tribe. Today, as a result of restoration, the Tribe has full Federal services restored to them. They have a judicial branch, a tribal governing body that is very solid. We are operating today and enjoying a gaming industry that is very sophisticated. You heard the testimony here this afternoon on the sophistication of the gaming internal controls and regulations. Those internal controls and regulations are in place at the Menominee Nation Casino. I have witnessed those same types of internal controls and regulations in many of the casinos that are operating now in the State of Wisconsin.

There are a couple of things. All of the things that have been expressed here and I can reiterate what we are doing with those dollars—the Indian Regulatory Act allows the Tribes to put their money into social programs. We are doing that in Menominee very successfully. Over 400 or 500 people are now employed directly or indirectly as a result of tribal gaming on our reservation. The standards of living are better, and the health care and all of those services that we normally would receive under some trust responsibility programs and because of the Congress' inability to appropriate sufficient funding, the Tribe is subsidizing Federal programs, as well as fully funding recreation, adult and elderly programs, AODA programs. We just constructed three youth centers for our youth. We are now establishing a community college and it is working. Our enrollment is increasing.

There have been 4,500 new jobs created in Wisconsin as a result of gaming and over 2,000 of those jobs are enjoyed by non-Indians in gaming industries. One of the things I would like to point out is that early on in the gaming, when they had what I called fly-by-nighters coming into the Indian gaming facilities with Grayline Machines—until Congress got the Commission moving and Tribes

started to realize the importance of control and regulations of Indian gaming. They put into place some very stringent internal controls, bringing in the professional people—buying the professional people they needed to come in and to help set up those regulations.

In the process, there had been a group of people going around to different reservations manipulating machines. Today, I heard Mr. Tries indicate that they were concerned about these machines and that people could utilize slugs. That is a lie. Those machines today are heavily regulated, monitored. They have coin calculators, coin validators. There is no way that anybody could put a slug in that machine and get away with it, based on the accountability system that is in place.

The other thing is that, when Congress enacted the Indian Gaming Regulatory Act, they chose not to write a new body of Federal law. Instead, Congress opted to federalize State law to regulate Class III Gaming. The states of New Jersey and Nevada have adequate State laws to regulate gaming; the rest do not. We have been unable to convince States, such as Minnesota and Wisconsin, to enact suitable laws. This is a problem. I think that when people were manipulating machines, we turned them over to the State authorities. There were no laws on their books, because they had just decriminalized and allowed the gaming to be civil regulatory. So, they have to clean up their house before they come over and ask Indian Tribes about how were they regulating and managing Indian gaming in their States and their Indian nations.

Further, I believe that the importance of Indian gaming for us is that we be allowed to exercise full sovereign control and authority. If it is the big money in Nevada that is forcing all of this regulation and pressuring Congress to take a look at all of the innuendo and rhetoric that they are passing across the congressional tables, then I think that gaming across the United States should all be federally regulated, including the States.

With that thought, that concludes my statement, Mr. Chairman.

Mr. RICHARDSON. Thank you very much, Chairman Miller.

The Chair recognizes Mr. Gary Ehman, communications director, Stockbridge-Munsee Nation, Bowler, Wisconsin.

STATEMENT OF GARY EHMAN

Mr. EHMAN. Thank you, Mr. Chairman. My name is Gary Ehman. I am appearing on behalf of the Stockbridge-Munsee Community Band of Mohican Indians located in Shawano County, Wisconsin. I hold the position of communications director.

There has been much testimony recently about the Tenth and Eleventh Amendments to the U.S. Constitution and its relationship to Indian gaming. There are many attorneys and other legal experts that are appearing before your Committees around the country that can provide the technical and the legal ramifications of such a relationship. I am not qualified to do that. I am qualified to speak about people and that impact—that relationship—on them directly. The Stockbridge-Munsee are the last of the Mohicans, quite contrary to the misconception of James Fenimore Cooper and recent Hollywood screenwriters. Being the last of anything is kind of scary, which is why our Tribe is vigorously working to ensure

that there is going to be no more such misconceptions about being the last of anything.

My experience with the community dates back to 1969, when the Tribe was struggling to hold on to their small 2,400-acre reservation. A more fragmented community etched with poverty and welfareism could not be found. As a newspaper reporter then, it was my job to report, in rather lurid headlines, the growing scenario of crime and social disarray that was extant on that small reservation then.

The State of Wisconsin, which today judges ill-advisedly about the social conditions and problems facing the Tribe under gaming conditions, back then ignored those conditions, taking the typical position of throwing just a little money at the problem. It may have settled their consciences then, but it did nothing to relieve the conditions that community then faced.

Today, I serve this vital, growing community another way. I find myself hard-pressed to keep up with the internally generated programming that has lifted community members to a plateau of progress that is unsurpassed in my 30 years of observing and serving these fine people. Centered in this success has been the Tribe's sovereignty. After years of mistakes by both the Federal and State Governments in handling the final solution to the Indian program, the Tribes themselves have reached the point of knowing what is best for Indian people. Tribal governments have reached a sophistication of effort in dealing with today's complex social issues.

Centered in the community's effort is its gaming facility. The community manages its own gaming and bingo casino, with no outside influence at all. It is an operation that is accountable to its people with the proceeds going to the betterment of these same people. It is an insult of the rankest sort to link these operations with organized crime or that they are loosely operated, somehow implying that, if organized crime has not infiltrated, then the tribal leadership themselves are somehow ripping off their own people. White men have wondered for years where the term "speaking with a fork tongue" came from. When looking at Las Vegas and Atlantic City, by comparison, and the hypocrisy of the above certain show through.

Indian gaming is the most strictly governed gaming in the Nation. The State of Wisconsin has had more problems governing its own lottery operations than the Tribes have theirs.

Scandal has racked that office constantly, but we see no demands that the Federal Government step in and regulate that ongoing mess and embarrassment to the citizens of the State of Wisconsin—most recently, the inability of the Gaming Commission to straighten out their act.

All State tribal gaming operations have compacts with the State now. They give the State regulatory authority right now. No Tribe can operate Class III Gaming without those compacts in place. Under strict regulations mandated by the compacts, background checks are done on everyone we employ at the casino or everyone appointed to the Gaming Board that oversees the operations. We have more checks and balances than you are going to find within the elective process of this very Nation. This also includes intensive

media coverage and examination. Let me tell you, speaking as an ex-newsman, I know exactly what I am talking about that.

The economic impact of tribal gaming is not just physical, it is emotional. In a day of bizarre national budget deficits, it is near laughable to ask a people back from the brink of poverty and welfareism to trust a near bankrupt Federal Government to take care of them.

The result of gaming on reservations has given the average Indian a taste of independence, a vision of what self-respect and freedom are all about. Shawano County Social Services Agency shows a significant drop in AFDC cases in the county. Prior to the start-up of the casino in April of 1991, the AFDC cases in the county were at 420. As of April of this year, they were at 346 reported cases—what they considered themselves to be a significant drop, and a tribute to the gaming within the Stockbridge-Munsee Tribe. The same pattern holds true on the reservation. Social Services reported 86 people on relief to needy Indian persons, prior to the start-up of the casino. As of April, that figure is 32—nearly a 68 percent drop in RNIP funding.

The casino employs many non-Indians, uses non-Indian vendors. According to local job and economic development agencies, off-reservation economic impact has been spectacular, including an expansion of one of our major hotels, two times, and the construction of a brand new facility.

The Stockbridge-Munsee Tribe, a community of Mohican Indians, submits to you this testimony that opposes any further restrictions on Indian gaming, based on new interpretations and futsing around with the Tenth and Eleventh Amendments. Sir, the Stockbridge-Munsee Tribe also invites you to come to the Northstar Casino. It is out there. Thank you.

[Prepared statement of Mr. Ehman follows:]

Stockbridge-Munsee Community

BAND OF MOHICAN INDIANS

To: Subcommittee on Native American Affairs

From: Gary F. Ehman
Communications Director, Stockbridge-Munsee Community

Date: June 27, 1993

Mr. Chairman:

My name is Gary Ehman, and I am appearing on behalf of the Stockbridge-Munsee Community, a band of the Mohican Indians. I hold the position of Communications Director

There has been much testimony given concerning the tenth and eleventh amendment of the US. Constitution and its relationship to Indian gaming. There are many attorneys and other legal experts appearing before your committee today who can provide the technical and legal ramifications of such a relationship. I am not qualified to do so, but I am qualified to speak about people and the impact of that relationship on them directly.

The Stockbridge-Munsee are the last of the Mohicans, quite contrary to the misconception of James Fenimore Cooper and recent Hollywood screen writers. Being the last of anything is a scary proposition, which is why our tribe is vigorously working to insure there will be no more such misconceptions.

My experience with the Community dates back 1969 when they were struggling to hold onto their small, 2400 acre reservation. A more fragmented community, etched with poverty and welfarism, could not be found. As a newspaper reporter, it was my job to report, in lurid headlines, the growing scenario of crime and social disarray extant then.

The State of Wisconsin, which today judges ill advisedly about social problems Tribes face under gaming conditions, back then ignored reservation conditions, taking the typical position of throwing just a little money at the problem. It

may have salved their consciences, but it did nothing to relieve the conditions the Community faced.

Today, I serve this vital, growing community another way. I find myself hard pressed to keep up with the internally generated programming that has lifted community members to a plateau of progress unsurpassed in my 30 years of observing and serving these fine people.

Centered in this success has been the Tribes sovereignty. After years of mistakes by both the federal and state governments in handling the final solution to the Indian problem, the tribes, themselves, have reached the point of knowing what is best for Indian people.

Tribal governments have reached a sophistication of effort in dealing with today's complex social issues. Centered in the Community's effort is its gaming facility.

The Community manages its own gaming and bingo Casino. It is an operation that is accountable to its people, with proceeds going to the betterment of those same people. It is an insult of the rankest sort to link these operations with organized crime, or that they are "loosely operated," somehow implying that if organized crime has not infiltrated, then the tribal leadership is somehow ripping off their own people.

White men have wonder for years where the Indian term, "speaking with a forked tongue" came from. When looking at Las Vegas and Atlantic City, by comparison, the hypocrisy of the above certainly shows through.

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All state tribal gaming operations have compacts with the state now. They give the state regulatory authority right now. No tribe can operate class III gaming without these compacts.

Under strict regulations mandated by the compacts, background checks are done on everyone we employ at the casino, or everyone appointed to the Gaming Board that

oversees the operation. We have more checks and balances than you will find within the elective process of this nation. This also includes intensive media coverage and examination.

The economic impact of tribal gaming isn't just physical; it's also emotional. In a day of bizarre national budget deficits, it is near laughable to ask a people back from the brink of poverty and welfarism to trust a near bankrupt federal government to "take care of them". The result of gaming on reservations has given the average Indian a taste of independence, a vision of what self-respect and freedom are all about.

Shawano County social services agency shows a significant drop in AFDC cases in the county. Prior to the start up of the casino in April of 1991, AFDC cases were at 420. As of April this year, there were 346 reported cases, what they consider a significant drop.

The same pattern holds true on the Reservation. Social Services reported 86 people on Relief to Needy Indian Persons prior to the start up. As of April, that figure is 32, nearly a 68 percent drop in RNIP funding.

The casino employs many non-Indians, uses many non-Indian vendors and according to local job and economic development agencies, off reservation economic impact has been spectacular.

The Stockbridge-Munsee Tribe, a community of Mohican Indians, submits to you this testimony that opposes any further restrictions on Indian gaming based on new interpretations of the Tenth and Eleventh Amendments.

Mr. RICHARDSON. Thank you very much.

Let me start with the President of the National Congress of American Indians. I would like you to answer this question in your capacity as the President of NCAI representing many of the Indian tribes in the country. How much of a priority is Indian gaming for you, in the context of other issues that are important to Native Americans within the Congress?

Mr. GAIASHKIBOS. Mr. Chairman, I was asked this question in a similar way just recently—to ask what issues, in ranking of priority, faces Indian country today. When we have so many unmet needs out there, it is extremely difficult for the National Congress of American Indians and Indian governments today to put a number on these priorities. When you are talking about young children today, the unmet needs in education, for example; with gang-related activities occurring on Indian reservations today, that is an extreme priority. When you are talking about the unmet need of homeless on the reservation, again, how do you prioritize that? Again, another top-priority. When you look at the job situation out there, with the unemployment rate varying from 56 percent to as high as 86 percent on some Indian reservations today, that is the priority in Indian country. Gaming has most definitely affected every one of these areas to a certain degree. I am sure you heard this with your other three field hearings as well, that the Tribes have generated these dollars and put those dollars where it is most vitally needed. Yet, at the same time, I do not think that Las Vegas or Atlantic City can say that they have taken this economic enterprise and put dollars and empowered the people at the grassroots level; but Indian people, Indian Tribes can say that. So, to answer your question, I think Indian gaming has touched every aspect of Indian life in many, many ways to help alleviate many of the problems and the situations that Tribes find themselves in today.

Mr. RICHARDSON. What about Indian gaming preserving your culture? How would you answer the question, Mr. President? How does Indian gaming help you preserve your culture?

Mr. GAIASHKIBOS. Well, I think, as Chairman Hill mentioned, that a long time ago, the only tourist that we have ever seen come on to the reservation would perhaps flip us a dime or a quarter to take a picture of some of the Indian boys and girls that were standing along the roadway. We have come a long way since that time. To quote the Virginia Slim commercial, "we have come a long way baby." Indian Tribes today are focusing and putting a great deal of emphasis on cultural identity. In fact, one of the last acts of President Bush was signing the Native Language Act, to preserve the languages of our people today. You are seeing a greater emphasis today on cultural centers, museums. Right here in Oneida, I think they have a very beautiful museum. I was given a tour of that, and I encourage you to take a look at that, and right here in Oneida and throughout Indian Country—emphasis on language and culture. So, I think that speaks for itself. The Tribes place high-priority in that area, sir.

Mr. RICHARDSON. Chairwoman Jones, you spoke with great feeling about the problem—the law enforcement issue that happened. Was it with Mr. Corrie?

Ms. JONES. Yes.

Mr. RICHARDSON. What precautions have you taken to prevent that from happening, recognizing that it was, the Indian people who basically discovered the problem?

Ms. JONES. Well, you know, since his removal, we have hired two more vendors and they went through contracting process, through scrutiny and also through background checks. For other Tribes, I would advise that they do thorough background checks on vendors, if they need to deal with vendors. We would not have dealt with vendors if we had the financial resources to put into our casinos or expand our casinos.

Also, because of the problem with Corrie, that left a great division within our Tribe and trust had to be rebuilt again. This was the reason we brought in vendors. I would advise other people to scrutinize their vendors, check their records. The FBI did not turn up some of the things that we turned up in some of our investigations and the State Commissions did not turn up some of the things that our Tribal Gaming Commission investigation background checks did.

Mr. RICHARDSON. Have all prosecutions taken place in this case?

Ms. JONES. There are others that the U.S. Attorney may be looking at, but that is in their arena at this point.

Mr. RICHARDSON. Does your counselor wish to say anything with respect to this issue?

Ms. PAVEL. Just that the Winnebago people have put it behind them. The two men that you had here earlier, they brought them in, they have been part of the training. They are the type of people they are working with to ensure that these kinds of things will not happen to them again. As she testified, there is scrutiny, and their background checks are more thorough than in Las Vegas—I heard the testimony on Friday. I think it was Congressman Bilbray who said, you know, it has taken 50 years for Las Vegas to figure out how to do it. It has taken the Winnebago 9 months. So, maybe they are doing something right.

Mr. RICHARDSON. To Chairman Miller and Mr. Ehman, are there any other alternatives for your Tribes, other than Indian gaming?

Mr. MILLER. Right now, the Menominee Tribe is working on—we are in the timber industry. As a result of termination, the Tribes are set up under a corporate structure that had bond obligations that are due in the year 2000. That has created a tremendous financial burden on the timber industry. So, right now we are doing a revitalization and diversification of all forest products. We have got a group of technical people in there who know what they are talking about—marketing veneer and other sources of furniture type of diversification which would create job opportunities. We have got the natural resources there to do areas of tourism. So, those are some of the things that we are looking at right now. Also, providing a loan fund program for local people to get into individual entrepreneurship, and a lot of those people have the capabilities and the skills to do so. Because we have problems with collateralization on Indian reservations to local banks, that creates problems. So, we are able to now work with—and, by the way, Indian gaming has created and developed a whole new business working relationship for the Menominee Tribe with local lending institutions now who see the Tribe's assets, as far as monetary as-

sets, as a means of collateralization versus land collateralization. So, that has worked out. So, we are on the road to recovery with diversification and enhancement of individual entrepreneurs, as well as other tourist-type things for the Menominee Nation.

Mr. RICHARDSON. Mr. Ehman.

Mr. EHMAN. Very simply, no. The Tribe is a very small organization, a very small structure.

Mr. RICHARDSON. How small is the Tribe?

Mr. EHMAN. I believe the enrolled members are just a little over 1,200. You have to look at it in relationship to where they are located. We are not as blessed as the Menominees are to have a forest product as large as they have. It is recovering. That land had been completely logged off. When it was no good to anyone else, they said, to the Stockbridge-Munsee, you may have this picked-over land. It is starting to grow in. There is a little bit of lumber, but it is not enough to sustain anyone for any length of time.

Gambling, gaming right now is the driving force of the Tribe. The unemployment rate has, of course, reversed itself, as it has with the RNIP and the AFDC. One of the things the Tribe has done now is hired on an economic development coordinator through the royalty funds that are being paid to the Tribe. They brought me on board to help in that regard with the Tribe, in terms of their publication is concerned, to generate more of an impact within the community around for trust sake. It has been declared by the State of Wisconsin an enterprise zone, which, from the State of Wisconsin, by declaring this, will, make it easier for outside interests to come in and start businesses or to bring up industries in that area.

Without the railroad capability, without all of the other things, and the utility structure, that is just whistling in the dark, sir. To say stop gaming, you can say we are back to where we started.

Mr. RICHARDSON. My last question to Chairwoman Jones.

Obviously, you have been through a painful experience, but your operation is working soundly now. What would you say to this Committee in terms of the Indian Gaming Regulatory Act? Is there any tinkering that we might deal with in some of the areas that you had a problem with? Is there something the auditors at the Interior Department or the Gaming Commission could have done to prevent the problem you had? Is there some technical assistance that you could have used? I know you have had a different kind of experience; but I wonder if there is any advice that you would give this Committee, in terms of how we might deal with the enormous pressures we are getting from States and governors and attorney generals and many others to basically, as Mr. Ehman said, junk the Act. What would you advise us?

Ms. JONES. Well, first of all, I guess what I would say that the governors and the AGs and all of those political leaders that want to restrict Indian gaming, should go out to the reservations. They should go out and see how the Indians have been living. Many of us are now just remedying 200 years of poverty. We need housing very badly in all Indian communities. We need educational levels raised with our children. We need to address a lot of those social programs or social ills that we had in the past also. We do not need to amend the Indian Gaming Act. We do not need to restrict Indian gaming any further. We do not need to give the States anymore au-

thority over Indian Tribes—over our sovereign powers. What we need is we need to work cooperatively with these State and Federal agencies to strengthen us—to strengthen our tribal governments to deal with what we have to deal with today.

I guess I would say the only area that I see where we would need more cooperation is in the law enforcement. We had met with our sheriffs, our county sheriffs, from about 5 major areas in our 16-county areas. If we had any problems within our gaming halls, they said that that would be a low-priority—that their citizens came first at that time. So, the only area that I could see that we need strengthening and cooperation is law enforcement. It is already there.

Mr. RICHARDSON. Thank you.

I want to thank this panel for appearing. Another very good panel. We appreciate especially the neighboring Tribes and their nice words of welcome. I promise to take you up on a subsequent visit. Nonetheless, thank you for the nice words and to the president of the National Congress of American Indians, we always appreciate him. Chairwoman Jones, you have obviously made an impact, at least with this chairman. Thank you.

Ms. JONES. Thank you.

Mr. RICHARDSON. We will now move on to our final panel. I would like the Honorable Paul Valandra, State senator, South Dakota; Mr. Mark Van Norman, tribal attorney, Cheyenne River Sioux Tribe, Eagle Butte, South Dakota; Ms. Louise King, manager, Oneida Bingo and Casino; and Mr. Steve Schneider, controller, Casino Morongo, Morongo Band of Mission Indians, Banning, California.

We want to invite our witnesses to step up to the witness table. Again, our apologies for going a little bit beyond the time that we originally allotted. As you can tell, it has been a very good hearing and some very good testimony.

I would like to, again, welcome our panel. Why don't we start with Senator Valandra. Senator, welcome. Please proceed.

PANEL CONSISTING OF HON. PAUL VALANDRA, STATE SENATOR, SOUTH DAKOTA; LOUISE KING, GAMING MANAGER, ONEIDA BINGO AND CASINO; STEVE SCHNEIDER, CONTROLLER, CASINO MORONGO, MORONGO BAND OF MISSION INDIANS, CABAZON, CA; AND MARK VAN NORMAN, TRIBAL ATTORNEY, CHEYENNE RIVER SIOUX TRIBE, EAGLE BUTTE, SD

STATEMENT OF PAUL VALANDRA

Mr. VALANDRA. Thank you, Mr. Chairman.

I was going to come up and summarize; but, after I have been listening to the different discussion here today, I would like to just read my statement, because I do not want to miss anything.

Mr. Chairman, my name is Paul Valandra. I am presently a State Senator from Rosebud, South Dakota. My Senate District is made up of the major areas of the Pine Ridge and Rosebud Indian Reservations. I am employed with the Rosebud Sioux Tribe and have served on the tribal council. I want to tell you that it is an honor and a pleasure to be here and testify before you today in

Green Bay. I would like to take this opportunity to tell you of some of my concerns and caution the Committee and Congress about moving too fast in opening up and making amendments to the Indian Gaming Regulatory Act. I think time needs to be taken to examine not only the present concerns of the States, but on a state-by-state basis to look at how and why States presently interpret and implement the Act differently.

I would suggest to the Committee that the Act, as present or as amended, could be used as a tool for economic sanction by a State against competing tribal interests, even when given just the authority of compacting, especially when a State is heavily dependent upon gaming revenue itself and when commercial special interests have substantial influence in the role of the State's policymaking. For example, take South Dakota, with which I am familiar, and I will suggest to you how economic balance between commercial, State, and tribal gaming interest is hard to maintain when States are given even minimal authority to regulate gaming commerce of Indian Tribes. Please allow me to give you some background.

South Dakota is not a very populated state of about 700,000 people. The Indian population is about 8 percent, or 60,000. The voters of South Dakota approved a State lottery in 1988. That State lottery has since been expanded into a video lottery network, with approximately 7,000 devices in 1,400 locations. The State owns and maintains the central computer to which all of the device terminals are hooked. Approximately \$400 million will be wagered in the video lottery this year. South Dakota video lottery produces about \$150 million in net profit. The state receives \$50 million or 36 percent, which also represents 10 percent of our whole State general fund. The other \$100 million is split between approximately 1,400 location, 120 vendors. There are 20 vendors that own 60 percent of that network. We have been very concerned with that in the legislature also. Has the Committee ever heard of the term "excessive profits"?

There are presently no video lottery compacts in place in South Dakota's Indian reservations. Two compacts were submitted, but rejected by the Department of the Interior. In 1988, the voters of South Dakota also approved limited family-style casino gaming for historic preservation in Deadwood, South Dakota. That meant no individual could have more than 30 devices, could not hold more than 3 licenses for a total of 90 machines. There is a \$5 bet limit established on card games. Presently, there are about 80 establishments in Deadwood, with a total of 2,000 devices. The licensees must be South Dakota residents. Deadwood has always been a town of about 2,000 people.

This year, the legislature approved expansion of limited gaming for Deadwood. Under this legislation, our bet limits will increase up to a \$100. The devices go up to 120. But, there was also a provision made for convention centers. Under that, they are going to allow 320 devices, which I will talk about later.

This year, over \$400 million will be wagered in Deadwood. This I think is very key. Less than 1 percent, or \$3.25 million will go to the State of South Dakota on the action of those 2,000 devices. 50 percent of that \$3 million will go to the Gaming Commission to operate. The Yankton Sioux Tribe, on the other hand, one of the

five South Dakota Tribes presently engaged in gaming, made about \$7 million dollars in profit during the same period on 250 devices. Deadwood's year-round average daily net is \$50 per machine, whereas, Yankton Sioux Tribe's is \$300. Yankton obviously can accommodate more devices.

All of the Yankton Sioux's profits were used to fund essential tribal services. An alcohol treatment center was built. A \$900,000 program fund was established for it. A juvenile detention facility was built and that program funded. A BIA office complex was built. The Yankton Sioux diversified and started a moccasin factory, where their run-down pork-packing plant was once located.

The Sisseton Wahpeton Sioux have also been engaged in gaming and recently built a \$10 million school, K-12, without one Federal or one State dollar, and started a \$2 million plastic bag factory, as part of their diversification efforts. The Sisseton's average daily drop is about \$250 per machine. They obviously could use more devices.

Each Tribe in South Dakota is currently allowed 180 devices under these gaming compacts, regardless of size or location. The 180 is equated as twice the number of devices an individual can have under a State gaming license. If a Tribe's devices do \$75 a day net, that Tribe is entitled to an additional 70 devices, for a grand total of 250. I do not have accurate data on what programs or projects the other Tribes have done. I do know that all the Tribes that are currently gaming have at least doubled the average daily drops than Deadwood, and though are not as high as the two I mentioned, they are employing hundreds of tribal members at their casinos and are creating economic growth where it was once barren.

The very point of my testimony that I would like to assert is this: Almost all of the pressure on the Congress to hurry up and do something about the Indian Gaming Regulatory Act is not being done in the best interest of the American public, nor for the citizens of each fifty states. Individuals accustomed to excessive profits through exclusive rights to gaming are those for whom this Act is being reexamined. That seems to be perfectly all right, because Indians always have been the weak sister in this system, and it is easily justifiable, because aren't we always supposed to be on the bottom? I think that is why everybody likes Indians so much.

My State Senate District contains Shannon County, the poorest—Todd County, the sixth poorest county in the United States. It is not a distinction of which I am proud. There are 35 Senate Districts in South Dakota. Twenty percent of my State's complete adult AFDC caseload is on or near my district, and probably 25 percent of the dependent children. Medicare and Medicaid inflation is chewing up our small State budget, just like everywhere else. The very last issue the legislature dealt with this year in the very closing minutes was how in the world were we going to tax and fund the M&M shortfall.

I have always been concerned about this. I went to see our Governor last year, George Mickelson. Governor Mickelson, as you may well know, died in a plane crash this April. I am very saddened by his untimely death. I know he would not mind me speaking of him in his absence here today because he had a great vision for South

Dakota. One of his great life's works was this very process. Anyway, I told him—I said, Governor, I think I have got a plan. I have talked to Mark's Tribe, and to Pine Ridge. We were fighting at the time. We were in litigation and impasse. I said, I have got a great plan. Each Tribe is willing to sit down and discuss the possibility of us entering into a management investment agreement with the State of South Dakota. We can avoid the trust land issue by placing the casinos on trust lands that fit jointly into an overall State/tribal tourism strategy. We can get around the machine numbers because the State will also want additional devices as the market demands. All of the civil, jurisdictional and regulatory issues can be settled because the State will actually be in there managing.

Well, I was told that the State could not get involved because there was no mechanism to fund it. The Governor was also against the expansion of gaming in South Dakota. That year he did threaten to veto legislation raising Deadwood bet limits. Well, anyway, the session ended.

The next year I visited with tribal leaders some more. I also talked with a lot of non-Indians. I thought I was getting some good support for that plan. Just prior to the 1993 legislature, the Governor came out strong in the press in support of what would be known in South Dakota as the Costner bill. This bill expanded gaming for Deadwood, as I mentioned earlier. It was justified—building a larger casino. They were actually making a \$100 million investment into the future of South Dakota. A five-star, world-class resort, and jobs.

I would just like to tell you about this, because at the hearings I did not really oppose the bill or offer any amendment. I pleaded with the Governor and with people—I thought that there were alternatives. There is no unemployment in Deadwood, South Dakota, and there is no housing. Deadwood is built on the side of a mountain. There is a housing shortage in both Rapid City, which is 40 miles south, and Spear Fish, which is next to it. The rent is very expensive in that region. If we Tribes were given that opportunity to capitalize similar projects on the Pine Ridge, 40 miles south of Rapid, we would be placing the new jobs where the unemployment was located. With smaller projects for Eagle Butte and Rosebud, we could reduce the State Medicare liability by about at least 20 percent. Indian tourism, along with our Northern Plains art could be cultivated into a tremendous industry. Race relations would surely improve, as non-Indians would support these casinos because they would be benefactors of it, and working hand-in-hand with the Indian people.

This would all cost nothing, I tried to plead with him. As a matter of fact, South Dakotans, I projected, could receive about \$150 million in property tax relief over the five-year life of the management contracts that we had been talking about. We could become good neighbors.

Well, anyway, the Governor and I, we kind of got into a little dispute about that. He said it was unconstitutional. We pointed to the Manshantucket Pequots. Needless to say, the thing did not go through. My Tribe, the Rosebud, as well as the Oglala Sioux Tribe and the Cheyenne River, are located within a 250-mile radius of Deadwood. We are in the same market area. The new Deadwood

legislation has the potential to add another thousand devices in that area. I was reluctant to support the Costner bill without assurances that the Tribes would benefit, or at least have the opportunity to compete with and eventually complement Deadwood.

In this process Mark is going to talk about, South Dakota also chose to ignore the action Congress took in overturning the *Duro* Decision. For us, having closed reservations, Pine Ridge, Rosebud and Cheyenne River, we have had to give up devices in order to retain civil and criminal misdemeanor jurisdiction over non-member Indians. That policy is based on a formula the State has. The more jurisdiction a Tribe retains, the less devices it receives. Rosebud recently compacted for 89 devices. We receive an additional 35 if we get the daily net. This constitutes 94 percent of what one individual can have under State law. I have always felt that there was not really a jurisdiction problem, but that this was just being brought up so that we would not compact.

Anyway, Congressman Richardson, when the Costner bill finally came up in the Senate, and even though I wanted to see its eventual passage, I voted against it the first two times. I had four or five people with me, and we defeated it. Okay. It was taken to the House. It was introduced, it was passed, and it was brought back to the Senate. An hour before the final vote, a meeting was arranged in the Governor's office by some of the Costner lobbyists. The Governor was in DC that day meeting with Hillary, so his chief of staff and attorney accommodated us. They are also the people who do our compact negotiations. In my company, in witness, were a Yankton Sioux Tribe lobbyist, a tourism director from Pine Ridge, and our Rosebud casino manager. I said I needed some assurance that we would not be held to all of the little nit-picky motel room, square footage, acreage requirements that were in the Costner bill. I mean, it was plainly special interest legislation. You have to have 50 acres within the city limits, et cetera. You can probably understand why I was so cautious, because I do not think those Tribes had been dealt with very fairly the last three or four years over this gaming.

We were told we would receive automatically, in the pass-through provisions of our compact, 413 devices initially, and that is even under this jurisdiction formula that I have told you about, with the potential for another 35 for a total of 438. We would not be held to square footage requirements or motel room requirements. The small Tribes would receive 880, plus 70, for a total of 950 machines. I wanted this clarification in the bill; but I was told—and I was pleaded with—that that might kill the bill if we put all of that stuff in there. I accepted a verbal agreement and a handshake. We went upstairs in Senate chambers and the bill passed. Okay?

Later, our tribal attorney wrote to the Governor's attorney, who was present and negotiates our compacts, and asked for a written notice of just how the legislation affected our device numbers. The Governor's attorney told us it would take a couple of weeks to give us a response. When he did write back, we have a letter that indicated the Tribe would automatically be increased to 149 and that, if we wanted anymore, we would have to be subject to the square

footage and motel room requirements of the Costner bill, which requires us to put in two motel rooms for each device.

So, I guess, you know, this is not being done in the best interest of the public or State citizens. Our people are going to have to stay on welfare for now and stay dependent. South Dakota taxpayers are going to have to be taxed more to keep up with Federal ADC mandates, Medicare and medication inflation. We are going to spend \$40 million in Federal highway funds and \$10 million in State highway funds that we will have to tax and spend building a four-lane highway into a mountain into Deadwood over the next four years here. Subsidized housing will have to eventually be built for the new workers arriving in Deadwood, Rapid City and Spearfish. Commercial gaming jobs in Deadwood pay far less than tribal gaming jobs. I did a study, and they pay about a dollar an hour less per position.

Commercial gaming employs one person for every two devices in Deadwood. Tribal gaming employs over one person per device. There are no corporate or personal income taxes in South Dakota. Twenty-two vendors control 60 percent of the whole market. There will be no property tax relief for South Dakotans.

I respectfully ask the members of this Committee who can we Tribes turn to or trust but ourselves? More State involvement in this Act will only eventually benefit special interests. Who is looking out for our interests and the real public interest? Who has to subsidize commercial gaming? Finally, just how many types and what different kinds of organized crime should we be looking for?

I would like to thank you for allowing me to come here and take up so much of your time today. May Tunkasila be with you. I would entertain any questions that you might have.

[Prepared statement of Mr. Valandra follows:]

TESTIMONY OF STATE SENATOR PAUL VALANDRA
ROSEBUD, SOUTH DAKOTA

TO THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON NATIVE AMERICAN AFFAIRS

June 27, 1993
North Hill Center Auditorium
Oneida, Wisconsin

Mr. Chairman and members of the Committee,

My name is Paul Valandra. I am presently a State Senator from Rosebud, South Dakota. My District is made up of the major areas of the Pine Ridge and Rosebud Indian Reservations. I am employed with the Rosebud Sioux Tribe and have served on the Tribal Council.

I want to tell you that it is an honor and a pleasure to be here and testify before you, in Green Bay today.

I would like to take this opportunity to tell you some of my concerns and caution the Committee and Congress about moving too fast in opening up and making amendments to the Indian Gaming Regulatory Act. I think time needs to be taken to examine not only the present concerns of the States, but on a State by State basis to look at how and the why States presently interpret and implement the Act differently.

I would suggest to the Committee that the Act, as present or as amended, can be used as tool for economic sanction by a State against competing Tribal interests. Even when given just the authority of Compacting Approval. Especially when a state is heavily dependent upon gaming revenue itself and when commercial special interest's have substantial influence in the role of a state's policy making. For example, take South Dakota, with which I am familiar, and I will suggest to you how economic balance between commercial, State and Tribal gaming interests is hard to maintain when states are given even minimal authority to regulate gaming commerce of Indian Tribes. Please allow me to give you some background.

South Dakota is a State with a population of about 700,000, with about 2/3's (two thirds) of that population in the eastern half. The State has an Indian population of about 60,000 or eight percent (8%). The voters of South Dakota approved a State Lottery in 1988. The State Lottery has since been expanded into a Video Lottery network with approximately 7,000 devices in 1400 locations. The State owns and maintains the central computer to which all of the device terminals are hooked up and monitored. Approximately \$400,000,000 will be wagered in the Video Lottery this year. The South Dakota Video Lottery currently produces approximately \$150 million in net profits annually with the state receiving \$50 million or 36% (which represents 10% of the State General Fund) and the other \$100 million is split between the approximate 1400 locations and the approximate 120 vendors of which 20 own 60% of the market. Has the Committee ever heard the term "Excessive Profits"? There are presently no Video Lottery Compacts in place on South Dakota's Indian Reservations. Two Compacts were submitted but rejected by the Department of Interior.

The voters of South Dakota in 1988 also approved "Limited" Family style casino gaming for historic preservation in Deadwood, South Dakota. Limited gaming meant no license could have more than 30

devices and no individuals could hold more than 3 licenses or 90 devices. There was a five dollar bet limit established on card games. Presently there are about 80 establishments in Deadwood with a total of about 2,000 devices. The licensee's must be South Dakota residents. Deadwood is a town of about 2,000 residents.

The Legislature this year approved expansion of Limited Gaming for Deadwood. Under the approved legislation the Bet Limits will increase to \$25 on July 1, 1993, \$50 on July 1, 1994 and \$100 on July 1, 1995. The maximum number of Devices an individual could own Downtown in the "Historic" district was increased by 30 devices, from 90 to 120. Also there were provisions made for Convention Centers. To qualify for the initial 180 devices an individual must be located on 50 acres inside City Limits, have at least 50 Motel rooms, and seating for 500. 320 Devices maximum shall be allowed provided there are two Motel rooms per device. As with the original Deadwood legislation there are numerous square footage requirements on floor space and Motel rooms. There are two sites that meet the acreage requirements that were annexed into Deadwood just prior to the original enacting legislation. The expansion legislation has been referred to the voters and a special election will take place on September 14, 1993.

This year over \$400,000,000 (Four hundred million) will be wagered in Deadwood. Less than 1% or 3.25 million will go to the State of South Dakota on the action of those 2,000 slots/devices. Fifty (50) percent of this gross revenue tax will go to the operation of the State Gaming Commission. The Yankton Sioux Tribe, one of the five South Dakota Tribes presently engaged in gaming, made about seven million in profit during the same period on 250 devices. Deadwood's year round average daily net drop is \$50 per machine whereas Yankton Sioux Tribe's is \$300. Yankton, obviously can accommodate more devices. All of the Yankton Sioux profits were used to fund essential Tribal services. An Alcohol Treatment Center was built and it's program funded. A Juvenile Detention Facility was built and it's program funded. A BIA Office complex was built. And the Yankton Sioux diversified and started up a moccasin factory where their pork packing plant was once located.

The Sisseton Wahpeton Sioux have also been engaged in gaming and recently built a ten million dollar school without one federal or state dollar and started a two million dollar plastic bag factory as part of their diversification efforts. Sisseton's average daily drop is about \$250. They, obviously could use more devices.

Each Tribe in South Dakota is currently allowed 180 devices under the Gaming Compacts, regardless of size or location. The 180 is equated as twice the number of devices an individual can have under a State Gaming license. If a Tribe's devices run an average daily net of \$75 then that Tribe is entitled to an additional 70 devices for a grand total of 250. What the market will bear dictates Deadwood's machine numbers.

I do not have accurate data on the other three gaming Tribes due to time constraint of putting together this testimony. But I do know all of the Tribes that are currently gaming have at least double the average daily drops than Deadwood and though are not as high as the two I mentioned earlier, they are employing hundreds of Tribal members at their Casinos and are creating economic growth where it was once barren.

The very point of my testimony that I would like to assert is this. Almost all of the pressure on this Congress to hurry up and do something about the Indian Gaming Regulatory Act is not being done in the best interest of the American public. Nor in the citizens of each of the 50 State's public interest. Individuals accustomed to excessive profits through exclusive rights to gaming are those for whom this Act is being re-examined. And that seems to be perfectly alright because Indians have always been the weak sister in this system. And it's easily justifiable because aren't they always supposed to be on bottom? That's why everybody likes Indians so much.

My State Senate District contains Shannon County, the poorest and Todd County, the sixth poorest county in the United States. It is not a distinction of which I am proud. (Show Map) There are 35 State Senate districts in South Dakota. Twenty percent (20%) of my State's adult AFDC caseload is on or near my District and probably 25% of the dependent children. Medicare and Medicaid inflation is chewing up our small state budget just like everywhere else. The very last issue the legislature dealt with this year in the closing minutes was how in the world were we going to tax and fund the M & M shortfall.

Well, I went to our Governor George S. Mickelson last year during the 1992 Legislative Session. Governor Mickelson, as you may well know, died in a plane crash this April and I am very saddened by his untimely death. I know he would not mind me speaking of him in his absence because he had a great vision for South Dakota and one of his great life works was this very process. I said Governor, I think I might have a great plan. I have talked to the three largest Tribes in this State, two with whom you are in litigation and the other impasse over gaming compacts. Each is willing to sit down and discuss the possibility of entering into a Management/Investment Agreement with the State of South Dakota. We can avoid the Trust land issue's by placing them on Trust Lands that fit jointly into an overall State/Tribal Tourism strategy. We can get around the machine numbers issue because the State will also want additional devices as the market demands. And all of the Civil jurisdiction and Regulatory issues can be settled because the State will be managing the Casino's. Well, I was told that the State could not be involved because there was no mechanism to avail funding. And the Governor was against the expansion of gaming as his threat to veto Legislation raising Deadwood Bet Limits stopped progress of that legislation after it had passed the Senate. So late in that 92nd Session I supported a bi-partisan measure that

broadened the scope of the State's Venture Capital fund.

In the next year I visited extensively with Tribal leaders in South Dakota and developed some more good support for my plan. I visited with non-Indians and gained support and I got some good constructive advice from both groups. If the State should not be involved directly in building casinos then there were many different options available. Bring in Private Sector involvement under a State loan guarantee, Capital venture fund involvement, etc.

Just prior to the 1993 Legislature, the Governor came out strong in the press in support of what would become known in South Dakota as the "Costner Bill". This Bill expanded gaming for Deadwood as I mentioned earlier in my Testimony. The Governor supported this project because Kevin Costner and his brother Dan were not building another larger Casino. They were actually making a 100 million dollar investment into the future of South Dakota for destination tourism. A Five Star, World Class Resort and 700 jobs.

At the hearings I did not really oppose the Bill or offer amendment. My testimony was that we ought to take a good look at the bigger picture. There is no unemployment in Deadwood and there is no housing. Deadwood is built on the sides of a mountain. There is a housing shortage in both Rapid City, which is 40 miles south and Spearfish and the rent is expensive in that region. If Tribes were given the opportunity to capitalize similar projects on the Pine Ridge, 40 miles south of Rapid City we would be placing the new jobs where the unemployment was located. With smaller projects for Eagle Butte and the Rosebud, we could reduce the State Medicare liability by at least twenty percent (20%). Indian Tourism along with our Northern Plains art could be cultivated into a tremendous industry. Race relations would surely improve as non-Indians would support these Casinos because they would be benefactors and working hand in hand with Indian people. And all of these side benefits would cost nothing. As a matter of fact, South Dakotans, I projected, could receive about \$150 million in property tax relief over the five year life of the Management Agreements. We could become good neighbors.

Parts of that concept hit the press. The Governor responded to questions by reporters that he thought the concept might be in violation of the State constitution. The Governor also said that he thought the concept would be illegal in accordance with the provisions of the Indian Gaming Regulatory Act. In a following article I responded that the Mashantucket Pequots and the State of Connecticut had signed a similar type of agreement that was approved by the National Indian Gaming Commission for twenty five percent of slot action. Well, needless to say my proposal did not get very far.

My Tribe, the Rosebud Sioux, as well as the Oglala Sioux and the Cheyenne River Sioux Tribes are located within a two hundred fifty

(250) mile radius of Deadwood. We are in the same market area. The new Deadwood legislation has the potential to add another 1,000 devices in Deadwood. I was reluctant to support the Costner Bill without assurances that the Tribes would benefit or at least have the opportunity to compete with and eventually complement Deadwood.

South Dakota has also chosen to completely ignore the action Congress recently took in over turning the DURO v. REINA decision. For having closed Reservations, Pine Ridge, Rosebud, and Cheyenne River have to give up devices in order to retain civil and criminal misdemeanor jurisdiction over non-member Indians. It's based upon a jurisdiction formula the State has. The more jurisdiction a tribe retains, the less devices it receives. Rosebud compacted recently for 89 devices. We receive an additional 35 devices if the net daily drop is there. This constitutes ninety four percent (94%) of what an individual can have under state law. I've always felt this policy was just to antagonize Tribes over jurisdiction so they would not Compact.

When the Costner Bill came up in the Senate and even though I wanted to see its eventual passage, I voted against it the first two times. It was defeated both times. It was then taken and introduced on the House side where it passed and then came back to the Senate. I had three sure votes and two maybe votes helping me and Indian gaming. An hour before the final vote, a meeting was arranged at the Governor's Office by the Costner Lobbyist's. The Governor was in Washington, D.C. so his Chief of Staff and Attorney addressed my concerns in order to get my support. In my company and witness were the Yankton Sioux Lobbyist, the Tourism Director from Pine Ridge, and Rosebud Manager/Investor. I said I needed assurance that we would not be held to the Motel room requirements, nor confined to just one location under the Costner Bill. You can probably understand by now why I am so cautious. We were told we would receive automatically in the pass through provision of our Compact 413 devices initially with potential for an additional 35 devices for a total of 438 devices. The Tribes would not be held to square footage or Motel room requirements. The small Tribes would receive twice what an individual could (440 x 2) 880 plus 70 additional for a total of 950. I wanted this clarification in the Bill, but I was pleaded with by a bill sponsor that such an amendment might kill the Bill. I accepted a verbal agreement with a handshake. I went upstairs to the Senate chamber. The Bill passed. Later, our Tribal Attorney wrote to the Governor's Attorney (Who also negotiates the Compacts) and asked for written notice of how the Costner legislation affected our device numbers. He was told it would take a couple of weeks to get back a response. When the Governor's attorney wrote back he indicated the Tribe would automatically increase to 149 devices. In order to receive more the Tribe would be subject to the square footage and Motel room requirements of the Costner Bill.

My people will have to stay on welfare for now and stay dependent.

inflation. Forty million dollars in Federal Highway funds and ten million in State highway funds will be taxed and spent building a four lane highway through the mountain into Deadwood over the next four years. Subsidized housing will have to eventually be built for the new workers arriving in Deadwood, Rapid City and Spearfish. Commercial Gaming jobs in Deadwood pay far less than Tribal gaming jobs. Commercial gaming employs 1 person per every 2 devices. Tribal gaming employs over one person per device. There are no Corporate or Personal income taxes in South Dakota. Excessive Profits. 22 Vendors control 60% of the market. There will be no property tax relief. I respectfully ask the members of this committee who can we Tribes turn to or trust but ourselves? More State involvement in this Act will only eventually benefit special interests. Who is looking out for our interest or the real Public Interest? Who has to subsidize Commercial gaming? And finally, just how many types and what different kinds of organized crime should we be looking out for?

I want to thank you for allowing me to take up so much of you time here today. May Tunkasila be with you. I would entertain any questions you members of the committee might have.

Mr. RICHARDSON. Thank you, Senator. Before I recognize Louise King, let me also mention a colleague of yours that is in the audience, and, at least most importantly for me, is a State senator in my State of New Mexico, James Roger Estevanito Madelina. I want to recognize him.

The Chair recognizes Louise King, the manager of the Oneida Bingo and Casino.

STATEMENT OF LOUISE KING

Ms. KING. It is an honor and pleasure to speak before you today, Mr. Richardson, Chairman. I welcome you to the Oneida Nation. Good afternoon. My name is Louise King. I am the gaming manager for the Oneida Bingo and Casino, which is a division of the Oneida Tribe of Indians of Wisconsin.

As a lifetime resident of this community, I have been fortunate enough to benefit from the successes of the Oneida Tribe. Upon graduating from high school, I began working for a federally funded program, which was CETA, the Community Education Training Act, administered by the Oneida Tribe. The CETA program assisted tribal members in obtaining gainful employment.

I presently have been working in the Oneida Tribe's gaming operations for the past 11 years. Over this time, the operations have grown by leaps and bounds. Always at the forefront has been the need to maintain a high-level of integrity to the operation. The Oneida Tribe takes great pride in being able to present an operation that can stand the scrutiny of many different agencies.

All of the slot machines are on a computer network which is monitored 7 days a week, 24 hours a day. Through this system, we know whenever a jackpot is filled, whenever a door on a slot machine is opened and whenever a malfunction occurs on the machine. Authorized access is maintained through the issuance of a magnetic-striped card. Through a code on this stripe, we know the name of the person entering the machine, when they then can be cross-referenced with logs maintained to document the reason for entry.

At the time the drop is done, meter readings are generated by the computer system, which identifies the amount of the drop. The coin is then taken to the hard count room where it is weighed and physically counted. The end result is a three-way process of verifying the daily drop. This entire system is the process used to determine the whole percentage which must be at minimum levels defined under the compact.

The checks and balances maintained in this area is standard for all areas of the operation. Whenever a cash transaction takes place, at least three signatures are being obtained and at least two different departments are being involved.

This operation is subject to an annual financial audit, per the Oneida Tribe's requirements. This has been done by Wipfli, Ullrich, Burtelson, a local auditing firm, which is done annually. Presently, auditors from Arthur Anderson and Company are in-house performing a security audit. Under the compact, this type of audit must be performed at least every 2 years.

The State has sent inspectors in to review the operation. The Oneida Tribe also employs two internal auditors that continually

monitor the operation and, in addition, has a staff auditor for the daily operational oversight. In addition to that, we do work with a consultant that helps us with our internal controls, to make sure that we are in compliance with the State compact.

I do not want to be real redundant. I know Mr. John McCarthy, from Minnesota Indian Gaming Association, had gone over the process of what happens to a quarter when played on a machine. I will just give a brief summary. It was basically the same process that he went through.

The customer inserts the coin. There are three possible avenues: A, the coin return in a tray. If a coin is inserted and it returns in a tray, the customer can re-insert the quarter or put it in their pocket. If they have a problem that persists, a slot technician is called and either it is a bad coin or else a machine malfunction.

Another possible avenue is, once the customer inserts the coin, it could go to the hopper. The coin goes to the hopper, a reservoir of coins is made available to accommodate payouts to the customer when the slot machine lines up a pay combination.

The third possible avenue when a customer inserts a coin is the drop. If the coin goes to the drop, this means that the hopper is at an optimum level for receiving coin, therefore, a diverter is actuated and the coin is diverted to the drop.

There is the process that Mr. John McCarthy listed out, and I will just briefly go over that. The coin is picked up from the drop by the drop team at a designated time. Second, the coin is taken to the hard count room where it is weighed by denomination and individual machine. The third step is the coin is scaled; fourth, wrapped and physically counted; fifth, the physical count will equal the scale count; sixth step, is receipted to the vault as gross gaming receipts; seventh, it is redistributed to outlets for resale; and the eighth step is coin is converted to cash at the time that the customer buys coin to play. The currency is used to purchase coin from the vault.

The accumulation of currency in the vault would represent the amount of gross gaming receipts from the slot department. This would be deposited in the bank.

I would just like to make one additional announcement—that I am proud to say that, in our operation, all of the middle- and upper-management positions are all presently being held, and they always have been by enrolled tribal members. I encourage all of the Tribes that are entering into any type of gaming compacts or gaming activities that they have the ability to be educated and trained just such as the Oneida Tribe has. I would just like to share that I feel that we are very proud of having that position. We do not enter into any management agreements.

Thank you.

[Prepared statement of Ms. King follows:]

JUNE 27, 1993

GOOD AFTERNOON! I AM LOUISE KING, GAMING MANAGER FOR ONEIDA BINGO AND CASINO, A DIVISION OF THE ONEIDA TRIBE OF INDIANS OF WISCONSIN.

AS A LIFETIME RESIDENT OF THIS COMMUNITY, I HAVE BEEN FORTUNATE ENOUGH TO BENEFIT FROM THE SUCCESSES OF THE ONEIDA TRIBE. UPON GRADUATION FROM HIGH SCHOOL, I BEGAN WORKING FOR A FEDERALLY FUNDED PROGRAM ... C.E.T.A. (COMMUNITY EDUCATION TRAINING ACT) ADMINISTERED BY THE ONEIDA TRIBE. THE CETA PROGRAM ASSISTED TRIBAL MEMBERS IN OBTAINING GAINFUL EMPLOYMENT.

I PRESENTLY HAVE BEEN WORKING IN THE ONEIDA TRIBES GAMING OPERATIONS FOR THE PAST ELEVEN YEARS, OVER THIS TIME, THE OPERATION HAS GROWN BY LEAPS AND BOUNDS, ALWAYS AT THE FOREFRONT, HAS BEEN THE NEED TO MAINTAIN A HIGH LEVEL OF INTEGRITY TO THE OPERATION. THE ONEIDA TRIBE TAKES GREAT PRIDE IN BEING ABLE TO PRESENT AN OPERATION THAT CAN STAND THE SCRUTINY OF MANY DIFFERENT AGENCIES

ALL OF THE SLOT MACHINES ARE ON A COMPUTER NETWORK WHICH IS MONITORED SEVEN DAYS A WEEK, TWENTY-FOUR HOURS A DAY. THROUGH THIS SYSTEM, WE KNOW WHENEVER A JACKPOT IS FILLED, WHENEVER A DOOR ON A SLOT MACHINE IS OPENED, AND WHENEVER A MALFUNCTION OCCURS ON THE MACHINE.

AUTHORIZED ACCESS IS MAINTAINED THROUGH THE ISSUANCE OF MAGNETIC STRIPED CARDS, THROUGH A CODE ON THIS STRIPE, WE KNOW THE NAME OF THE PERSON ENTERING THE MACHINE, WHICH THEN CAN BE CROSS-REFERENCED WITH LOGS MAINTAINED, TO DOCUMENT THE REASON FOR ENTRY.

AT THE TIME THE DROP IS DONE, METER READINGS ARE GENERATED, BY THE COMPUTER SYSTEM, WHICH IDENTIFIES THE AMOUNT OF THE DROP, THE COIN IS THEN TAKEN TO THE HARD COUNT ROOM WHERE IT IS WEIGHED AND PHYSICALLY COUNTED.

THE END RESULT, IS A THREE WAY PROCESS OF VERIFYING THE DAILY DROP. THIS ENTIRE SYSTEM IS THE PROCESS USED TO DETERMINE THE HOLD PERCENTAGE, WHICH MUST BE AT MINIMUM LEVELS DEFINED UNDER THE COMPACT.

THE CHECKS AND BALANCES MAINTAINED IN THIS AREA IS STANDARD FOR ALL AREAS OF THE OPERATION, WHENEVER A CASH TRANSACTION TAKES PLACE AT LEAST THREE SIGNATURES ARE BEING OBTAINED AND AT LEAST TWO DIFFERENT DEPARTMENTS ARE INVOLVED.

THIS OPERATION IS SUBJECT TO AN ANNUAL FINANCIAL AUDIT PER THE ONEIDA TRIBES REQUIREMENTS. THIS HAS BEEN DONE BY WIPFLI, ULLRICH, BERTELSON, A LOCAL AUDITING FIRM.

PRESENTLY, AUDITORS FROM ARTHUR ANDERSON AND COMPANY ARE IN HOUSE PERFORMING A SECURITY AUDIT. UNDER THE COMPACT THIS TYPE OF AUDIT, MUST BE PERFORMED A LEAST EVERY TWO YEARS.

THE STATE HAS SENT INSPECTORS IN TO REVEIW THE OEPRATION. THE ONEIDA TRIBE ALSO EMPLOYES TWO INTERNAL AUDITORS THAT CONTINUALLY MONITOR THE OPERATION, IN ADDITION GAMING HAS A STAFF AUDITOR FOR THE DAILY OPERATIONAL OVERSIGHT.

WHAT HAPPENS TO A QUARTER, WHEN PLAYED ON A MACHINE?

INSERT COIN (THREE POSSIBLE AVENUES)

A. COIN RETURN IN TRAY

B. HOPPER

C. DROP

A) IF COIN IS INSERTED AND IT RETURNS IN THE COIN TRAY, CUSTOMER CAN RE-INSERT QUARTER OR PUT IT IN THEIR POCKET.

1. IF PROBLEM PERSISTS, A SLOT TECHNICIAN IS CALLED. EITHER A BAD COIN, OR A MACHINE MALFUNCTION.

B) IF COIN GOES TO THE HOPPER, A RESERVOIR OF COINS IS MADE AVAILABLE TO ACCOMMODATE PAYOUTS TO THE CUSTOMER WHEN THE SLOT MACHINE LINES

UP A PAY COMBINATION.

C) IF COIN GOES TO DROP; THIS MEANS THE HOPPER IS AT AN OPTIMUM LEVEL FOR RECEIVING COIN, THEREFORE A DIVERTER IS ACTUATED, AND THE COIN IS DIVERTED TO THE DROP.

1. COIN IS PICKED UP FROM THE DROP BY THE DROP TEAM AT A DESIGNATED TIME.

2. COIN IS TAKEN TO THE HARD COUNT ROOM WHERE IT IS WEIGHED BY DENOMINATION AND INDIVIDUAL MACHINE.

3. COIN IS SCALED.

4. WRAPPED AND PHYSICALLY COUNTED.

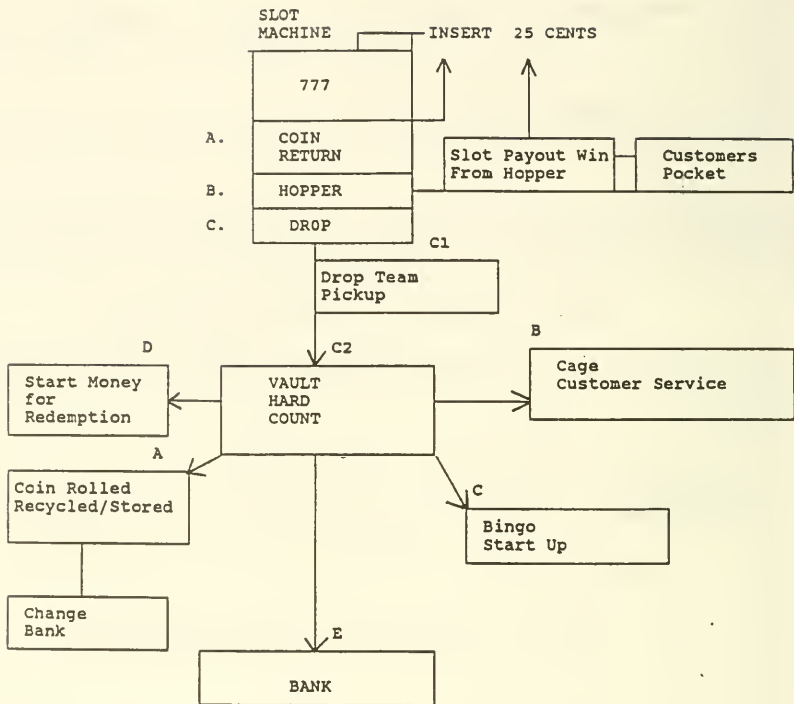
5. PHYSICAL COUNT WILL EQUAL THE SCALE COUNT.

6. RECEIPTED TO VAULT AS GROSS GAMING RECEIPTS.

7. REDISTRIBUTED TO OUTLETS FOR RESALE.

8. COIN IS CONVERTED TO CASH AT THE TIME THE CUSTOMER BUYS COIN TO PLAY. THE CURRENCY IS USED TO PURCHASE COIN FROM THE VAULT.

THE ACCUMULATION OF CURRENCY IN THE VAULT WOULD REPRESENT THE AMOUNT OF GROSS GAMING RECEIPTS FROM THE SLOT DEPARTMENT. THIS WOULD BE DEPOSITED TO THE BANK.



SLOT FILL AND PAYOUT SHEET:

A list of the slot fills and slot payouts.

SOFT COUNT:

The count of the contents in a drop bucket.

VAULT:

A secure area within the casino where currency, coins, and chips are stored.

GLOSSARY

The following is a list of terms and a brief definition of each, used in the Casino industry. These terms may differ among casinos.

CASINO CAGE:

A secure work area within the casino for cashiers and a storage area for the casino.

CHANGE PERSON:

A person who has an imprest fund of coins and currency for making change for slot customers.

COIN OPERATED GAMING DEVICE:

Any of a variety of mechanical or electronic apparatus used in connection with gaming. Includes slot machines and electronic video games such as poker, or blackjack.

DROP:

The total amount of money removed from the drop bucket.

DROP BUCKET:

A container located beneath a coin-operated gaming device for the purpose of cash.

FILL:

A transaction whereby a supply of coins or tokens is transferred from a bankroll to a coin operated gaming device.

FILL SLIP:

A document evidencing a fill.

HOLD:

The net win from gaming activities, which is the difference between gaming wins and losses before deducting costs and expenses.

HARD COUNT:

The count of the contents in a drop bucket.

HOPPER:

A container the coins or tokens used to make payouts in a coin operated gaming device.

HOPPER FILL SLIPS:

A document used to record the monetary value of coins or tokens put into a hopper.

JACKPOT PAYOUT:

The portion of a jackpot paid by slot personnel. The amount is usually determined as the difference between the total posted jackpot amount and the coins paid out by the machine. May also be the total amount of the jackpot.

JACKPOT PAYOUT SLIP:

A form on which the portion of a jackpot paid by slot personnel is recorded.

LOAD:

Coins or tokens put into a hopper.

MACHINE PAYOUT:

The number of coins paid out to the customer by a coin operated gaming device as the result of a winning combination.

METER:

A mechanical apparatus in a coin-operated gaming device. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.

METER READING SUMMARY:

A report reflecting the meter reading on coin operated gaming devices. The number is recorded when the drop bucket is removed from the cabinet.

ON-LINE SYSTEM:

A method of tracking activity of slot machines by the use of a computer.

PROGRESSIVE SLOT MACHINE:

A slot machine, with a payoff indicator, in which the payoff increases as it is played.

SLOT FILL:

The coins placed in a hopper.

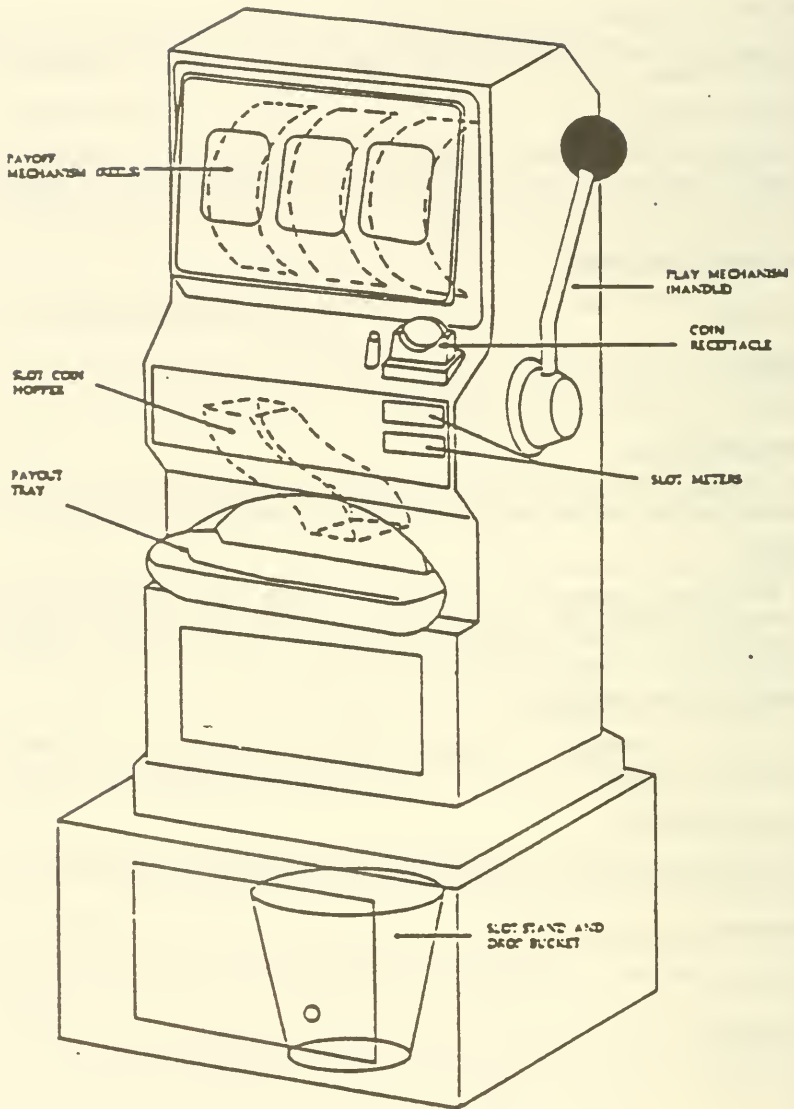


Fig. 5-1. Typical slot machine.

Mr. RICHARDSON. Thank you very much.

The Chair recognizes Mr. Steve Schneider, the controller for the Casino Morongo, the Morongo Band of Mission Indians, in Banning, California. Mr. Schneider, welcome. We appreciate your patience. You have travelled a long way to appear today.

STATEMENT OF STEVE SCHNEIDER

Mr. SCHNEIDER. Yes. Thank you, Mr. Chairman.

In a manner similar to the testimony of Mr. Guccione and Mr. McCarthy, I would like to describe our security by tracing the revenue process at Casino Morongo, beginning with the card room and concluding with the bingo operation.

In the Casino Morongo card room, customers can either buy chips at the cashier's cage or at the table itself. Since California does not allow Class III Gaming, the casino earns its revenue through a collection made at the beginning of each hand. The collection is made by the dealer who drops the chips into the drop box. Cash is never used for the collection. For certain games, a drop is also made for a jackpot fund. These drop boxes are designed such that once chips are dropped in, there is no way of getting them out without removing the box from the table and using a special key to open it.

When it is time for the boxes to be collected, two security guards and the card room shift manager on duty then remove the designated boxes from the tables, replacing them with empty boxes obtained from the count room. The drop slot latches automatically lock as the boxes are removed from the table.

The drop boxes are then placed in the count room and waits for the count team to enter. Shortly thereafter, the count team, which consists of one cage cashier, one or two tribal observers, and one security guard enter the count room and begin the count procedures. The count begins by the security guard opening each box, dumping the contents onto the count table and then showing the empty box to the surveillance camera to verify that it is empty. The security guard then uses another key to reset the drop slot latch mechanism. The count commences by the cashier and the tribal observers separating the chips into the various denominations. The cashier then counts the chips, after which time the tribal observer recounts to verify the amount.

Once the amount is agreed to, it is logged on a daily count sheet. If a jackpot box is included with the collection drop, then it is counted next using the same procedures as mentioned. The jackpot amount is then logged on the daily count sheet and the total for the table is determined and also logged.

After all of the boxes have been counted, they are totalled up on the daily count sheet and then the chips, in total, are recounted by both the cashier and the tribal observer to ensure agreement with the daily count sheet total. The daily count sheet is then signed by all of the members of the count team. The count cashier then gives all of the chips and the daily count sheet to the main bank cashier who recounts the chips again and signs the daily count sheet, acknowledging acceptance of the amount, and places the chips into the cashier's bank. The cashier then prepares a cash deposit of the amount of the collection drop and of the amount of the jackpot

drop, and an armored truck picks up the deposit on the following morning.

On the next business day, a member of the accounting department compares the duplicate deposit slip to the daily count sheet to verify that the entire count was deposited. That concludes that particular cycle.

On the bingo side of the casino, there are three different revenue input areas. Bingo paper may be purchased through the cashier windows, through floor clerks, and, additionally, players may buy pull-tabs through designated pull-tab clerks. After all of the window sales have been made, the window cashiers turn their sales proceeds into the vault supervisor. When this is done, a cash transfer slip is filled out and signed by both the cashier and the vault supervisor, showing the amount that was turned in. The vault supervisor then documents the total received on the trial balance, which is a form used to compute the deposit that we made at the end of the evening.

When players buy paper from the floor clerks and pull-tabs from the pull-tab clerks, the clerks then turn in their proceeds to the window cashiers, who initial the clerk's sales vouchers, showing receipt of the money. The sales voucher is a form which reconciles the quantity of paper issued with the cash and unsold paper returned. The cashier then turns in sales proceeds to the vault supervisor, as was done with the window sales.

As bingo games and pull-tabs are won, a floor clerk, or pull-tab clerk, whichever is applicable, collects the winning document from the player and delivers it to the paymaster. The paymaster logs the winner on a payout summary form, fills out a payout voucher, which, along with the payout cash, is given to the clerk. The clerk then initials the payout summary form, acknowledging receipt of the payout. The clerk gives the proceeds to the winner, who then signs a payout voucher. The clerk then returns the signed payout voucher to the pay master.

At the end of the bingo session, the pay master gives the payout summary form to the vault supervisor, who logs it on to the trial balance. After all of the revenue has been received and all payouts made, the vault supervisor computes the net deposit from the trial balance and prepares a cash deposit for that amount. The deposit is picked up by an armored carrier the following morning. On the following business day, the accounting department receives all of the documentation, verifies that the correct deposit was made, and reconciles the sales vouchers.

That concludes the bingo process.

One thing we would like to mention is, even though we feel we have our internal controls worked out very well, we have two separate groups of auditors that come in verifying this. We have also hired a consultant, on a temporary basis, who used to work for the Nevada Gaming Commission, to come in and check these over and give us any suggestions that he might have.

[Prepared information submitted by Mr. Schneider follows:]

Internal Controls of the Cash Receipts Process

Presented By

Steve Schneider
Controller
Casino Morongo

Morongo Band of Mission Indians
Cabazon, California

Casino Morongo Card Room Revenue Procedures (Exhibit 1)

In the Casino Morongo card room, customers can either buy chips at the cashiers cage or at the table itself. If the purchase is done at the tables, the cash cage eventually receives the currency though the dealer purchasing chips to replenish his/her tray. The casino earns its revenue through a collection made at the beginning of each hand. The collection is made by the dealer who drops the chips (cash is never used for the collection) in the drop box. For certain games a drop is also made for a jackpot fund. These drop boxes are designed such that once chips are dropped there is no way of getting them out without removing the box from the table.

When it is time for the boxes to be collected, the shift manager on duty fills out a Drop Box Control Sheet in which he/she documents those tables which a drop box pickup is necessary. Two security guards and the shift manager then remove the designated boxes from tables, replacing them with empty boxes obtained from the count room. The drop slot latch is automatically locked as the boxes are removed from the table. The drop boxes are then placed in the count room and the security guards and shift manager sign the Drop Box Control Sheet to show which boxes have been pulled.

Shortly thereafter, the count team (consisting of 1 cage cashier, 1 or 2 tribal observers, and 1 security guard) enters the count room and begins the count procedures, using the Drop Box Control Sheet to determine which boxes should be counted.

The count begins by the security guard opening each box, dumping the contents onto the count table and then showing the empty box to the surveillance camera to verify that it is empty. The security guard then uses another key to reset the drop slot latch mechanism. The count commences by the cashier and the tribal observer(s) separating the chips into the various denominations. The cashier then counts the chips after which the tribal observer recounts to verify. Once the amount is agreed to it is logged on a Daily Count Sheet (see exhibit 4). If a jackpot box is included with the collection drop then it is counted next using the same procedures as mentioned above. The jackpot amount is then logged on the Daily Count Sheet and the total for the table (collection and jackpot drops) is determined and also logged.

After all the boxes have been counted they are totalled up on the Daily Count Sheet and then the chips are recounted by both the cashier and the tribal observer to ensure agreement with the Daily Count Sheet total. The Daily Count Sheet is then signed by all members of the count team. The count cashier then gives all the chips and the Daily Count Sheet to the Main Bank cashier who recounts the chips, signs the Daily Count Sheet acknowledging acceptance of the amount and places the chips into the cashiers bank. Cash deposits are then prepared for the amount of the collection drop and the amount of the jackpot drop with a Brinks truck picking up the deposit on the following morning. On the next

business day, a member of the accounting department compares the duplicate deposit slip to the Daily Count Sheet to verify that the entire count was deposited.

Casino Morongo Bingo Revenue and
Payout Procedures (Exhibits 2 and 3)

On the bingo side of the casino, there are three different revenue input areas. Bingo paper may be purchased through the cashier windows or through floor clerks. Additionally, players may buy pull-tabs through pull-tab clerks. After all window sales have been made, the window cashiers turn their sales proceeds in to the Vault Supervisor. When this is done a Cash Transfer Slip is filled out and signed by both the Cashier and the Vault Supervisor. The Vault Supervisor then documents the total received on the Trial Balance (see exhibit 6). When players buy paper from floor clerks and pull-tabs from pull-tab clerks, the clerks turn in their proceeds to the window cashiers who initial the clerk's Sales Voucher (see exhibit 5) showing receipt of the money. The Sales Voucher is a form which reconciles the quantity of paper issued with the cash and unsold paper returned. The cashier then turns the sales proceeds into the Vault Supervisor as was done with the window sales.

As Bingo games and pull-tabs are won, a floor clerk or pull-tab clerk (whichever is applicable) collects the winning document from the player and delivers it to the paymaster. The paymaster logs the winner on a Payout Summary Form (see exhibit 8), fills out a Payout Voucher (see exhibit 7) which, along with the payout cash, is given to the clerk. The clerk then initials the Payout Summary Form acknowledging receipt of the payout. The Clerk gives the proceeds to the winner who then signs the Payout Voucher. The clerk then returns the signed Payout Voucher to the paymaster. At the end of the session, the paymaster gives the Payout Summary Form to the vault supervisor who logs it onto the Trial Balance.

After all the revenue has been received and all payouts made, the vault supervisor computes the net deposit from the Trial Balance and prepares a cash deposit for that amount. The deposit is picked up by Brinks the following morning. On the following business day, the accounting department receives all the documentation, verifies that the correct deposit was made, and reconciles the Sales Vouchers.

Exhibit Schedule

Exhibit 1	Revenue Flowchart - Card Room
Exhibit 2	Revenue Flowchart - Bingo
Exhibit 3	Payout Flowchart - Bingo
Exhibit 4	Daily Count Sheet - Card Room
Exhibit 5	Sales Voucher
Exhibit 6	Trial Balance
Exhibit 7	Pay Off Vouchers
Exhibit 8	Payout Summary Form

Casino Morongo
Revenue Process
Card Room

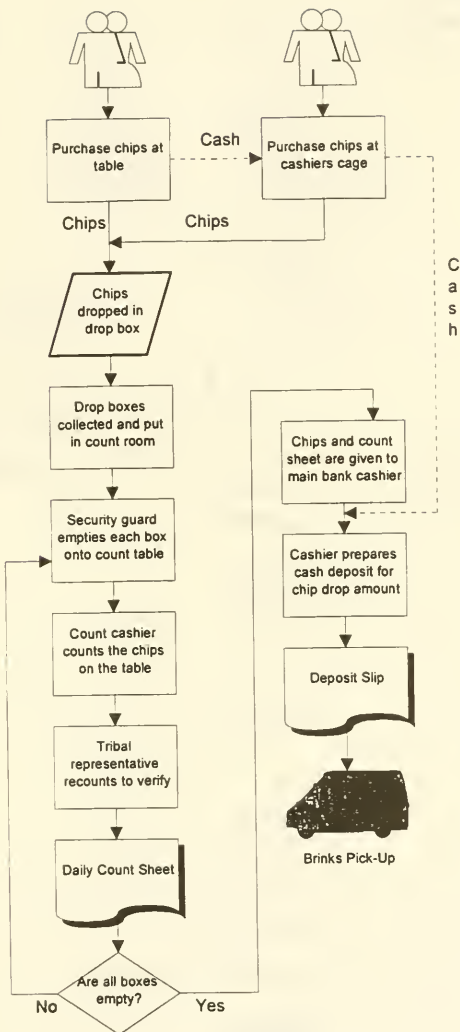
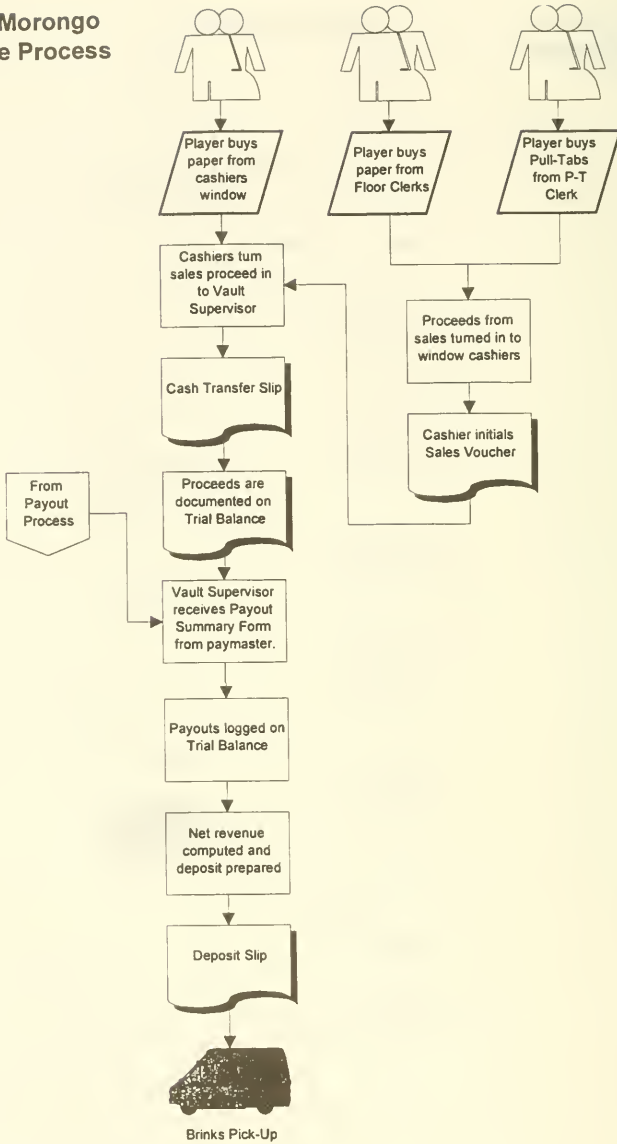


Exhibit 1

Casino Morongo Revenue Process Bingo



Casino Morongo Payout Process Bingo

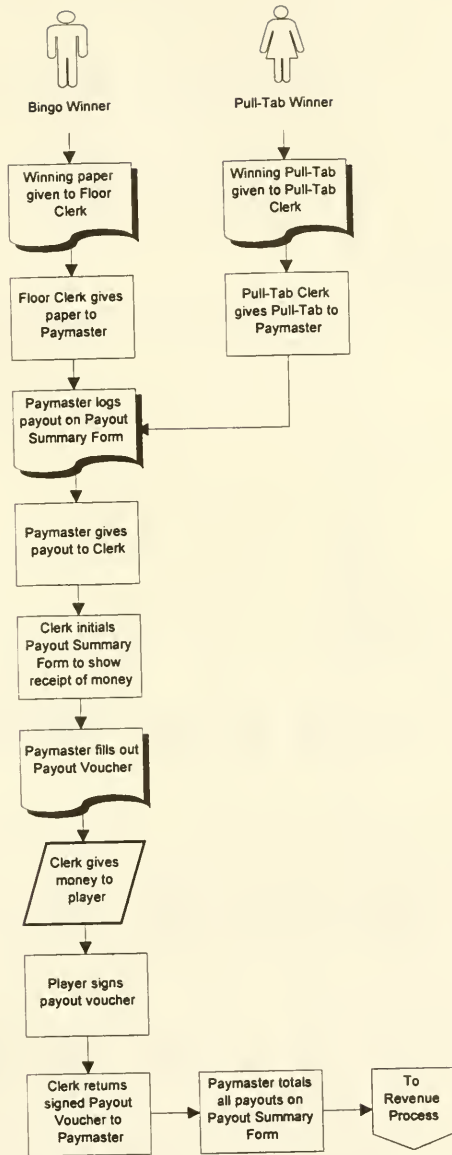


Exhibit 3

Daily Count Sheet

Date _____ Shift _____

No. 1	No. 2	No. 3	No. 4
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 5	No. 6	No. 7	No. 8
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 9	No. 10	No. 11	No. 12
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 13	No. 14	No. 15	No. 16
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 17	No. 18	No. 19	No. 20
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 21	No. 22	No. 23	No. 24
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 25	No. 26	No. 27	No. 28
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 29	No. 30	No. 31	No. 32
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 33	No. 34	No. 35	No. 36
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total
No. 37	No. 38	No. 39	No. 40
Drop	Drop	Drop	Drop
Jackpot	Jackpot	Jackpot	Jackpot
Total	Total	Total	Total

Shift Summary -

HOLD 'EM	Comments
HOLD 'EM JPOT	
STUD	
STUD JPOT	
OMAHA HI-LO	
OMAHA JPOT	
HI-LO	
HI-LO JPOT	
PAL GOW POKER	
PAN - 9	Received From Count
CACES	\$ <input type="text"/>
PAN	

Received by

TOTAL COLLECTION DROP
JACKPOTS DROP

Casino Morongo-Bingo
Floor Clerk Sales Voucher

Floor Clerk

Date: _____ Day: _____

TYPE OF PAPER	Sales Price	Original Issue	Add'l Issue		Add'l Issue		Add'l Issue		Total Issued	Total Returned	Init	Quantity Sold	Total Sales
			Init	Issue	Init	Issue	Init	Issue					
Extra Pack: 1st tier													
Extra Pack: 2nd tier													
Warm-Up: Pack													
Warm-Up: Single													
Early Bird: Single													
Early Bird: Pack													
Early Bird: 3 for 2													
Pick-A-Pet													
Letter X or M													
Intermission Pack: Little													
Intermission Pack: Big													
Intermission: Single													
Super Jackpot													
Do-It: Single													
Do-It: 7-on													
Late Bird: Single													
Late Bird: Pack													
Late Bird: 3 for 2													
Parimutuel: Pack													
Parimutuel: Extra Pack													
Parimutuel: Jackpot													

COUPONS:

Type & Value	Amount	Total	Init

DROP DEPOSITS:

Shortage Paid	Init

Total Sales:

Add: Shortage Owed:

Less: Cash Drop:

Total Coupons:

Over/(Short):

Cashiers: Vault

Paper:

Floor Clerk:

TRIAL BALANCE SHEET
BINGO

DATE: _____

CASH DEPOSIT

PACK SALES: _____

FLOOR SALES: _____

PULL TAB SALES: _____

MEGA COMMISSION: _____

ACCESSORIES: _____

SUB TOTAL: _____

BUSSING SHORTS: _____

MISCELLANEOUS: _____

PARIMUTUEL BINGO _____

SUB TOTAL: _____

BINGO PAYOUTS: _____

PULL TAB PAYOUTS: _____

CASHIER DIFFERENCE: _____

TOTAL: _____

CASH DEPOSIT: _____

VAULT OVER/SHORT: _____

DEPOSIT TO BANK OF AMERICA

MISCELLANEOUS DEPOSIT:

Exhibit 6

A WINNER**PULL TAB PAY OFF VOUCHER**

Date _____

№ 0934

Name _____

Amount \$ _____

CASINO



MORONGO

Authorized Signature _____

Recieved By _____

A WINNER**PAY OFF VOUCHER**

Date _____

Name _____ № 034400

Address _____

Amount \$ _____

CASINO



MORONGO

Authorized Signature _____

Recieved By _____

****PAYMASTERS WINNER LOG****

OPENING BANK\$: _____ DATE: ____/____/____ DAY: _____

PAYMASTER: _____ VAULT CASHIER: _____

CALLERS: _____

W A R M - U P S	# WINNERS	PAYOUT	E A R L Y B I R D S	# WINNERS	PAYOUT
1. Six Pack (Hdwy)			1. Crazy Letter L		
2. 2 Postage Stamps			2. Small Crazy Kite		
3. Horizontal Bingo			3. Double Bingo		
4. 2 Card Bingo			4. Block of 8		
5. Railroad Tracks			5. Odd/Even Blackout		

Total Warm-Ups Payout\$ _____

Total Early Birds Payout\$ _____

R E G U L A R S E S S I O N	# WINNERS	PAYOUT
1. Indian Star		
2. Double Bingo Hardway		
3. Crazy T		
4. Lucky 7		
5. 3 Postage Stamps		
6.		
7. Giant Crazy Kite		
8. Double Chevron		
9. 2 Card Six Pack (Hardway)		
10.		
11.		
12. 2 Layer Cake		
13. Crazy Arrow		
14.		
15.		
16.		
17.		
18.		

Total Regular Session Payout\$ _____

L A T E G A M E S	# WINNERS	PAYOUT	S P E C I A L S	# WINNERS	PAYOUT
1. Small Diamond plus 2. Outside Corners			6. Pick A Pet		
2. Double Bingo			7. Letter M		
3. Stamp and a Line			8. Morongo Super		
4. Diagonal/Hardway			9. Do It Yourself		
5. Odd/Even Blackout					

Total Late Games Payout\$ _____

Total Special Games Payout\$ _____

A D D E D G A M E S	# WINNERS	PAYOUT	R E C A P
1. Lucky 7			Warm-Ups Payout \$
2. Large Diamond			Early Birds Payouts \$
3. Letter X Jackpot			Regular Session Payout \$
4.			Mystery Money Payout \$
Total\$ _____			Specials Payout \$
			Late Birds Payouts
			TOTAL PAYOUT \$
			ENDING PAYOUT BANK \$

Mr. RICHARDSON. Thank you very much.

Our last witness is the tribal attorney for the Cheyenne River Sioux Tribe, Mr. Mark Van Norman.

STATEMENT OF MARK C. VAN NORMAN

Mr. VAN NORMAN. Thank you, Mr. Chairman.

Mr. Chairman, I will just briefly summarize my testimony. Our people are the poorest people in the United States. Ziebach County, on the Cheyenne River Reservation, is the seventh poorest county. Unemployment ranges from 60 to 80 percent. Per capita income hovers around \$3,000 annually. That means children go without proper clothing and go to bed hungry at night. That means some of our people have no electricity and no running water, although the United States has built the Oahe Dam on our reservation, which is a massive electrical generating facility and irrigation project. Poverty on our reservation also means that people live in despair and die young. In short, our people have the highest infant mortality rate, the worst health status, and least educational opportunity in the country.

Congress' purpose in the IGRA was to alleviate some of this human suffering. We think it is working. The tribal revenue from the IGRA is intended to build schools and hospitals and finance education and jobs. We would like to see that work. Recently, it began to work for many Tribes, and then New Jersey and Nevada gaming interests came in and called for amendments to the Act to do away with the competition. These are not people that are concerned with government revenue. These are people like Donald Trump, who want to line their own pockets. To make matters worse, they are not being honest about their objections.

They say Indian gaming is unregulated. The truth is that Indian gaming is regulated by the Federal Government, the State Government and tribal governments. If you want to say Indian gaming is unregulated, you have to say either State gaming systems for regulation are inadequate or the States are not using the opportunity they have in the compact process to put adequate regulations in place.

People say that Indian gaming is a violation of States' rights. In truth, the IGRA was already a compromise of tribal sovereignty that invites States to have an unprecedented voice in reservation affairs.

Some opponents of Indian gaming have said that tribes will game in every major U.S. city. There will be a proliferation of Indian gaming. The truth is gaming can occur on after-acquired lands, only if there is concurrence of both the State governor and the Secretary of the Interior.

Opponents of Indian gaming say they are not motivated by economic racism or a desire to avoid competition. The truth is Donald Trump appeared on a radio show last week and agreed that Indian gaming can be characterized as the "Drunken Injuns want Gaming."

The situation in South Dakota is that the State government generally permits gaming and, in fact, promotes its own gaming system. The Cheyenne River Sioux Tribe asked to start gaming compact negotiations in 1991. Immediately the State tried to limit the

Tribe to 250 gaming devices because the Flandreau Sioux Tribe, the smallest Tribe in the State, with less than 250 resident members, had accepted that term. We thought that was bad faith, but we kept negotiating.

We believe that a tribal casino located near Deadwood, on our trust lands that we have held since the 1930s, would be good not only for our economy, but would promote the State's economy, which is based largely on tourism. Although the lands had been acquired many decades before the Act, the States refused to negotiate for gaming on that site. What they said was, if we game near Deadwood, that would be a proliferation of gaming, which was against State public policy.

Well, our reservation is located 180 miles from Rapid City, 180 miles from Bismarck, and 90 miles from Pierre. Obviously, if we do not use these off-reservation lands, we are not going to have a successful operation. So, we had no choice but to go to court to seek mediation. While our lawsuit was pending, Kevin Costner, of "Dances with Wolves," came in and announced his intention to open a \$65 million casino. The Governor said we should have that Costner casino because otherwise people in South Dakota would face hard times economically. I guess he did not think about us in terms of the need for economic development.

The State legislature passed this Costner bill, as Mr. Valandra described. Really what that indicates is there is a double-standard at work in South Dakota. State public policy favors non-Indian mega-casinos, but moderate-sized tribal casinos are a proliferation of Indian gaming.

Despite our difficulties with negotiations, the Cheyenne River Sioux Tribe is opposed to amendments to the IGRA at the present time. We have tried to work at the existing process for 2½ years and we deserve to have our day in court. The IGRA has been shown to work in various areas. Where there was an impasse in Arizona, they now have compacts. It can work in other places. It just needs time to work.

Thank you.

[Prepared statement of Mr. Van Norman follows:]



Testimony By:

THE CHEYENNE RIVER SIOUX TRIBE OF SOUTH DAKOTA
Mark C. Van Norman, Tribal Attorney

Before:

The House Sub-Committee on Native American Affairs

On:

Indian Gaming Regulatory Act

Green Bay, Wisconsin

June 27, 1993

Mr. Chairman and Members of the Committee, I am Mark C. Van Norman and I am here today on behalf of the Cheyenne River Sioux Tribe of South Dakota. On behalf of my tribe, thank you for the opportunity to testify on the Indian Gaming Regulatory Act -- which is for most of Indian country, Congress' first successful reservation economic development initiative.

OUR RIGHT TO SELF-GOVERNMENT IS AN INHERENT HUMAN RIGHT

The United States of America stands as a symbol of freedom and democracy around the world, and the United States has often fought to protect peoples' rights to self-government and democracy. Unfortunately, the United States has often sacrificed the human rights of Indian people simply to achieve its own interests.

Prior to the coming of the United States to Sioux territory, the Lakota were a free people with an open and democratic society. But the United States wanted our land and our natural wealth. In 1866-68, we fought the Powder River War to protect our land, our homes, and our families. And the Sioux Nation won.

In the Treaty of 1868, the United States pledged its national honor to protect the peace and to prevent any further invasion of Sioux country. The Treaty also recognized the Sioux Nation's right to self-government. A mere eight years later (shortly after gold was discovered in our Black Hills) the United States broke its pledges and took our best lands, leaving us destitute on arid reservations -- yet our right to self-government continued. Today, the right to self-government, which is our inherent human right, forms the basis of the tribes' right to raise governmental revenue through gaming.

Of course, in the Indian Gaming Regulatory Act, Congress asked the tribes to accept a significant limit on tribal self-government: we must negotiate a compact with our state before we can conduct class III or casinõ-type gaming. Nevertheless, tribes have worked hard to make the IGRA work -- even though many state governments are traditionally opposed to tribal government.

But now, when the IGRA is just beginning to work, Las Vegas and New Jersey gambling interests seek to do away with Indian gaming. The organized gaming lobby just can't stand to see competition from the Indian tribes.

Congress should resist these self-interested calls to once again abrogate Indian rights because what's at stake is more than dollars and cents. What's at stake is this Country's national honor and Indian people's basic human rights to self-government and our own way of life.

POVERTY DEVASTATES INDIAN TRIBES AND THE PURPOSE OF THE IGRA IS TO PROMOTE ECONOMIC DEVELOPMENT TO ALLEVIATE RESERVATION POVERTY

There is economic side to the Indian gaming issue, and from our perspective, the point is that the reservation economic picture, in human terms, is very bleak.

Indian tribes and Indian people are devastated by poverty. Ziebach County on the Cheyenne River Indian Reservation is the seventh poorest county in the United States. Unemployment on our reservation ranges from 60 to 80%. Per capita income hovers around \$3,000 annually. That means our children go without proper clothing and go to bed hungry at night. That means some of our people have no electricity and no water -- though the United States flooded our best remaining lands to create the Oahe

Dam on the Missouri River, a massive electrical generating facility and irrigation project.

The driving poverty on the reservation also means that our people often live in despair and die young. Not surprisingly, some of our people turn to alcohol abuse as an escape. Alcohol abuse is 600% greater on the Cheyenne River Indian Reservation than it is among the general population. To give you a real life example, when some of our tribal leaders went away for three days in May to an alcohol abuse prevention meeting, they returned to find that 2 young men -- one age 17 and one age 27 -- had committed suicide at opposite ends of the Reservation. Those suicides were alcohol related; indeed, 90 to 100% of suicides on the Reservation are alcohol related.

In short, Indian people are the poorest people in America, with the highest infant mortality, the worst health status, and the lowest educational opportunity. Congress' stated purpose in the IGRA was to ease these devastating problems by promoting economic development for Indian tribes, and to protect Indian tribes and the public from corruption to preserve gaming as a means of generating tribal governmental revenue. The tribal revenue then is intended to build schools and hospitals and to finance education and jobs.

Just recently, the IGRA began to work in terms of providing jobs and governmental revenue for Indian tribes. Then came trouble. Nevada and New Jersey gaming interests began calling for revisions of the IGRA to undermine the competition from Indian gaming. Yet, in stark contrast to Indian gaming, our

opponents are not concerned with governmental revenue. They are men like Donald Trump who seek to line their own pockets with commercial gaming revenues.

UNFAIR AND UNIFORMED CRITICISM OF THE IGRA

To make matters worse, opponents of Indian gaming are rarely honest about the reasons for their opposition.

Opponents of Indian gaming claim Indian gaming is unregulated

- * The TRUTH is Indian gaming is regulated by the Federal, state and tribal governments.

Because Indian tribes must compact with states for class III gaming before conducting casino-type games, class III gaming by Indian tribes can only be criticized as unregulated or under-regulated if one accepts either that the states themselves have inadequate means to regulate gaming or that states fail to negotiate for appropriate regulations when they have the opportunity to do so in the compact negotiations.

Opponents of Indian gaming claim the IGRA is a violation of states's rights.

- * The TRUTH is the IGRA represents an unprecedented congressional invitation for states to have a voice in reservation affairs.

Opponents of Indian gaming claim the IGRA will allow Indian tribes to game in every major U.S. city.

- * The TRUTH is that such gaming could occur on lands acquired after the passage of the IGRA only if both State Governors and the Secretary of the Interior agree that it is in the public interest.

Indeed, only two after-acquired sites have been permitted since the passage of the IGRA, both had the concurrence of the Governor and the Secretary of the Interior. Some Indian tribes have even been invited to try to locate casinos on off-reservation lands: Council Bluffs, Iowa invited the Santee Sioux Tribe of Nebraska to attempt to establish a casino there and in Michigan, the Governor has asked some tribes whether they would be willing to establish a casino in Detroit.

Opponents of Indian gaming claim that they are not motivated by economic racism or a desire to avoid competition.

* The TRUTH is that Donald Trump himself appeared on the IMUS radio talk show on June 18 and agreed to a characterization of Indian gaming as "the drunken injuns want gambling" and other racial slurs.

In fact, our own situation in South Dakota, discussed immediately below, makes clear that there is often a double standard for Indian gaming.

THE SITUATION OF THE CHEYENNE RIVER SIOUX TRIBE

The State of South Dakota permits blackjack, poker and slot machines in Deadwood, conducts video lottery (or video machine gaming) and a lottery, permits pari-mutuel horse and dog-racing, simulcasting, and charity lotteries or casino nights. Thus, the State's policy is to regulate rather than prohibit class III games.

The Cheyenne River Sioux Tribe, one of the most populous Indian tribes in the Country, with 12,000 members, and also one of the poorest, began negotiations with the State of South Dakota

for a class III Tribal-State compact in 1991. Immediately, the state sought to limit the tribe to 250 machines because another tribe, the smallest tribe in the state with less than 250 resident tribal members, had accepted that term. The state affirmatively refused to take into account the Cheyenne River Sioux Tribe's greater need for economic development because of its larger population and terrible economic situation. In the tribe's view, the state's position did not reflect "good faith" negotiations. Yet, the tribe continued to negotiate.

The tribe believed that a tribal casino located near Deadwood would be not only good for the economy of the tribe but also the economy of the state, which is heavily dependent on tourism (and of course, many tourists want to visit Indian areas). However, although the proposed location was on trust land in the Black Hills, which had been re-acquired by tribal members in the 1930's, the state refused to negotiate for class III gaming at that site.¹ The rationale for the state's refusal was allegedly that a tribal casino within a few miles of Deadwood would result in a "proliferation of gaming" which was against state public policy.

The Cheyenne River Indian Reservation is located a great distance from any major population center: 180 miles from Rapid City, SD; 180 miles from Bismarck, ND; and 90 miles from Pierre,

¹ Under the terms of the IGRA, when a tribe has Indian lands where class III gaming "is to be conducted," the tribe must request the state to negotiate and then the state has a duty to negotiate. 25 U.S.C. § 2710(d)(3).

SD. Thus, the land near Deadwood represented one of the few feasible sites for the tribe's proposed gaming operations, so the tribe sued the state to reach mediation.

While that lawsuit was pending, Kevin Costner, of "Dances With Wolves" fame, and his brother, Dan, announced their intention to open a \$65 million casino in Deadwood using an Indian motif to attract tourists. The Governor of South Dakota then announced that western South Dakota would face hard times in the future if the state was not competitive in the tourist industry, and therefore, he believed that the Costners' mega-casino would be beneficial for the economy. Accordingly, he supported legislative changes in state law to allow for the Costners' large casinos and increased bet limits.

The State Legislature passed the proposed legislation, increasing the size of permissible casinos from 30 machines to 380 machines, and raising bet limits from \$5 to \$100. That situation astounded the tribe. A proposed \$2 million tribal casino was characterized as the "proliferation of gaming" contrary to state public policy while a \$65 million Costner "Indian motif" casino was good for the state economy. In fact, so good that the state law regarding gaming should be amended specifically for that casino.

Clearly, a double standard is at work in South Dakota: state public policy favors non-Indian mega-casinos but moderate sized tribal casinos represent a proliferation of gaming. As one tribal leader said, "It's better to make movies about Indians than to be an Indian."

Despite its difficulties in class III gaming negotiations with the state, the Cheyenne River Sioux Tribe is opposed to amendments to the IGRA at the present time. The tribe has worked at the existing process for almost 2 and 1/2 years, and we believe that we should be entitled to "our day in court." Thus, the tribe would like to respond to some additional criticisms of the IGRA.

THE INDIAN GAMING REGULATORY ACT IS A WORKABLE COMPROMISE

While Indian tribes would prefer a system of federal and tribal regulations for Indian gaming and states might prefer to directly regulate Indian gaming, through the 1988 Indian Gaming Regulatory Act Congress developed a successful compromise: class III Tribal-State compact negotiations.

Through the compact process, Indian tribes may negotiate with states as "equal sovereigns" to develop a comprehensive, balanced regulatory system for class III gaming while states may negotiate to protect any legitimate government interests in Indian gaming. Thus, Indian tribes may achieve economic development and states have the power to ensure that sound regulations exist to protect those state citizens who engage in Indian gaming.

Of course, states must negotiate in "good faith" with the tribes to conclude a compact, but that is not an onerous burden. The states should be able to demonstrate that their negotiating positions are supported by legitimate public policy concerns or they should take more time in formulating those positions.

Yet, even if states, for whatever reasons, are found to have failed to negotiate in "good faith," the process that Congress

has set forth allows them to adjust their negotiations in accordance with the findings of the court and conclude a compact within 60 days.

Even if states cannot meet that time frame, the result is simply mediation: the last best offer of the state and the tribe are submitted to a mediator and the mediator selects the compact which best comports with the IGRA. And even then the state may reject that compact, with the only result that the Secretary of the Interior will develop regulations for the Indian gaming.

Thus, the requirement of "good faith" negotiations is not unduly burdensome. Indeed, it is quite lenient and allows states to adjust for any mistakes they may make in the process.

THE IGRA IS CONSTITUTIONAL UNDER THE 10TH,
11TH AND 14TH AMENDMENTS

Some states have challenged the IGRA as unconstitutional under the 10th Amendment because it forces states to become involved in regulating Indian gaming, and some district courts have agreed with the states. Yet, they are quite simply wrong.

Under controlling Supreme Court precedent, the IGRA offers the states a clearly constitutional choice: States may participate in negotiations with Indian tribes to develop a Tribal-State class III gaming compact or states may "opt out" of the negotiation process with the only result being that the Secretary of the Interior will develop regulations for the Indian gaming.

In New York v. United States, 112 S.Ct. 2408 (1992), the Supreme Court held that the Congress may offer states just such a choice in the area of environmental protection. Previously, the

Court had held that such a choice is constitutional in the area of federal highway spending. We are very confident that Congress' authority is no less "plenary" in the area of Indian affairs.

In regard to the 11th Amendment, some states have argued that Congress had no authority to authorize suits to enforce the IGRA's duty of good faith negotiations. Again, that is simply contrary to controlling Supreme Court precedent.

In Pennsylvania v. Union Gas Co., 491 U.S. 1 (1989), the Supreme Court held that Congress has the authority to abrogate the states' 11th Amendment immunity under the Commerce Clause. Period.

Moreover, the IGRA's abrogation of the states' 11th Amendment immunity is also valid under Congress' 14th Amendment power because the IGRA seeks to protect tribal liberty interests in gaming and no one seriously questions that Congress has the power to abrogate states' sovereign immunity under the 14th Amendment after the Supreme Court decision in Fitzpatrick v. Bitzer, 427 U.S. 445 (1983).

CONCLUSION

In conclusion, the Cheyenne River Sioux Tribe views the IGRA as an important congressional economic initiative for Indian tribes, who are the primary government for the poorest people in America, and we believe the IGRA is working well at present. Legislation which would restrict Indian gaming would not be in the public interest.

Mr. RICHARDSON. Mr. Van Norman, let me refer to a point made by Senator Valandra. Is it correct that the State of South Dakota does not observe the law that we passed in Congress regarding *Duro*?

Mr. VAN NORMAN. What happened in South Dakota is that the State attorney general's office said that the *Duro* legislation is unconstitutional. Then, in the compact process, they said, therefore, the State must have jurisdiction over non-member Indians, even though the non-member Indians we are talking about are all members of other Sioux Tribes.

Well, it must not be that unconstitutional because they are willing to trade off that jurisdiction for lesser gaming devices for the Tribes. We tried to find out what the linkage there was, but they have no reasoned policy basis for that. We think it is just a knee-(D)jerk reaction against tribal jurisdiction. They do not want to see the Tribes have jurisdiction.

Mr. RICHARDSON. Well, I am interested, because that is my bill.

Now, is the Deadwood case, Senator Valandra, is that definitive? Is the casino now operating fully?

Mr. VALANDRA. Sir, it was referred to election. They went out and got petitions as soon as we passed the law. We put a provision in the legislation that sped up the referendums. So, it has been referred to the voters for September 14, 1993.

Mr. RICHARDSON. For a referendum?

Mr. VALANDRA. Right. Right now, as Tribes, we do not know if we should support the legislation because it is intended to help us; but, I mean, the double standards we deal with, it is not going to help us at all, the way that they are presently interpreting it.

Mr. RICHARDSON. In light of your experience, Senator, are you recommending that we take any steps with IGRA that would clarify your situation?

Mr. VALANDRA. If you would take the States out completely, that would clarify my situation.

Mr. RICHARDSON. I was not aware of what happened in your State. Of course, reading some of the briefing materials before this hearing, I was very curious to hear your testimony and what has happened in your State, that has had a very long tradition, as I understand it, of Indian/State cooperation. Isn't that the case?

Mr. VALANDRA. No, sir.

Mr. VAN NORMAN. We had some tax agreements back in the 1970s that worked pretty well. What we have seen recently is in 1986 the State tried to come in and get Public Law 280 jurisdiction by revitalizing a case that the State Supreme Court struck down as unconstitutional in 1961. You know, they have cut off Federal highway construction to our reservations and said, if you have TERO programs, you are not going to have any Federal highway construction. This is the general tenor of relations. In fact, we cannot get those tax agreements that were so maybe forward-thinking in the 1970s. We cannot get those renewed now in the 1990s.

Mr. RICHARDSON. Now, Ms. King, and Mr. Schneider. Ms. King, you stated that the upper management of the Oneida Casino, they are all enrolled members of the Tribe, but primarily Oneida?

Ms. KING. Yes, they all are, including the middle management—that is, any person that holds a supervisory position, all the way

up to the gaming manager, which is myself. They are all enrolled tribal members. We have been real fortunate to bring in consultants that have provided training and assisting in educating all of our individuals on short-term contracts, and it is a continuing training process—ongoing process.

Mr. RICHARDSON. Now, the training of all of these individuals is done by Oneida members themselves—these middle management?

Ms. KING. Yes. Anybody who sits in a supervisory position. When we have any type of training, it is done by either our consultant, brought in from Nevada. We have been working with a firm out there that has been bringing their expertise in training in assisting us for internal procedures and making sure all of our checks and balances are in place, and assisting us with the auditing part, which was a new function that we never used to have until we had the casino-style gambling in place.

Mr. RICHARDSON. Mr. Schneider, do you have a management contract?

Mr. SCHNEIDER. Yes.

Mr. RICHARDSON. Who does that?

Mr. SCHNEIDER. Excuse me?

Mr. RICHARDSON. Your Tribe—the Morongo's have a management contract?

Mr. SCHNEIDER. Yes. It is an outside management company that deals with it.

Mr. RICHARDSON. What is the company?

Mr. SCHNEIDER. E.C. Investments.

Mr. RICHARDSON. Has the experience been a positive one?

Mr. SCHNEIDER. So far, yes. The Tribe has, in prior years, just their bingo hall had outside managers that have not worked out very well at all. So, this appears to be a change of pace.

Mr. RICHARDSON. We were in California two weeks ago and met with a number of the non-recognized Tribes. Some of these issues did surface.

The main thrust of your testimony is that the system, the methodology, is fool-proof? Isn't that basically it?

Mr. SCHNEIDER. We would like to think so, yes.

Mr. RICHARDSON. What is the scope of gaming for your Tribe?

Mr. SCHNEIDER. As far as what is offered?

Mr. RICHARDSON. Yes?

Mr. SCHNEIDER. We have a few video machines, the video pull-tab machines, et cetera. I guess the jury is still out on whether or not those are permissible. Then we have card games. The casino itself is not allowed to bank the card games. So, it is a situation where players put up a fixed amount, as a collection to the house, for every single hand, and they play against each other. Then we have our bingo operation.

Mr. RICHARDSON. Now, Ms. King, obviously, the Oneidas, you have probably the more advanced and progressive and extensive Indian gaming. Maybe this is something that Chairman Hill is doing; but, is there much consultation among Tribes to, for instance, Senator Valandra, although his case may be different; but say, the Morongos or other Tribes from around the country wanting to start gaming? Do they come to you? Are you in a position to offer

them any technical assistance or advice? How does that sort of networking work within Indian gaming?

Ms. KING. We just recently have been doing some networking with some of the Tribes throughout the Nation. I have been on panels out in Las Vegas recently, and have spoken at a couple of other speaking engagements. So, just through that statement alone, saying that we are self-regulated and self-operated, that is a pretty strong statement in the Indian gaming industry. I have had an opportunity to have several contacts by several Tribes throughout the Nation, coming to see our operation and asking for assistance and advice. We encourage that and we welcome it as well.

Mr. RICHARDSON. Well, let me conclude with this panel. Chairman Hill wants to conclude the hearing. As the host, he will do so.

Let me just say to Senator Valandra and to Mr. Van Norman, I am very interested in pursuing what you have said here. I may want to do an oversight hearing in your State. I was just totally unaware of that. We were just talking about some oversight. I have never been to your State. With its very rich tradition of Native American activity, it just seems that I probably should have gone there first, but I am traveling around the country trying to learn some of the different problems and Tribes.

I think all of you here may be interested to know that the conference committee on the Reconciliation bill contains, at least in one of the bodies of the Congress, a bill that I have pursued and many others—Senator Inouye—Indian tax credits for the reservation. We are hoping to keep that in the President's economic program, giving tax credits to companies that operate on the reservation. This would obviously be welcome by many Tribes.

I am very interested in following up on many of the things that you have all said. Ms. King, I hope to visit your casino.

Ms. KING. I hope so too. I will be more than happy to give you a tour.

Mr. RICHARDSON. Let me, again, thank all of you. I would like to recognize Chairman Hill to conclude the hearing.

Mr. VAN NORMAN. Mr. Chairman, may I say one thing?

Mr. RICHARDSON. Yes.

Mr. VAN NORMAN. We would like to invite the Committee, on behalf of the Sioux Tribes, to have an oversight hearing on Wounded Knee because, just as having a hearing here in Oneida demonstrates what gaming can do, having a hearing on Wounded Knee demonstrates the need for gaming.

Mr. RICHARDSON. Sure.

Mr. VAN NORMAN. Thank you.

Mr. HILL. Thank you very much for coming to the Oneida Territory here. We thank all of the panelists. Thank you very much.

Mr. RICHARDSON. The hearing is adjourned. Thank you very much.

[Whereupon, at 6:59 p.m., the Subcommittee was adjourned.]

APPENDIX

JUNE 27, 1993

ADDITIONAL MATERIAL SUBMITTED FOR THE HEARING RECORD

Testimony of Dennis Miller

Chairman

Morongo Band of Mission Indians

Before the Subcommittee on Native American Affairs

of the

House Natural Resources Committee

on

Indian Gaming Issues

Oneida, Wisconsin

July 19, 1993

(169)

TESTIMONY OF MORONGO BAND OF MISSION INDIANS

Chairman Richardson and Members of the Committee, my name is Dennis Miller and I am the Chairman of the Morongo Band of Mission Indians from Cabazon, California. The members of the Morongo Band of Mission Indians ("Morongo Band") appreciate the opportunity to provide this testimony on the Indian Gaming Regulatory Act of 1988 to the Subcommittee on Native American Affairs of the Committee on Natural Resources.

Mr. Chairman, I can understand the American public becoming confused with Indian gaming issues as they have been presented in the press. Many of these news articles, some of which perhaps were initiated by our professional gaming competitors, talk about ancient Indian land claims, about Indian sovereignty, about extending Indian country and gaming into the backyards of suburbia and so forth.

We suggest to you that the key issue in Indian gaming is actually reduction of the federal deficit and the federal tax burden. Indian gaming infuses hundreds of millions of dollars into the social and economic programs of American Indian communities and the American economy each year. This saves the federal government and the American taxpayer an equivalent amount of money in entitlement and discretionary spending. Reducing entitlement spending is a subject which is of serious concern today, not only with the Administration and Congress but also with taxpayers.

Indians have historically been self-sufficient people. Notwithstanding, they have historically been dispossessed of their economic base: first, the buffalo, then gold, and oil, coal, uranium and finally, the land itself. Generally, when the Indians were pushed aside from these resources, the dominant or mainstream society benefited.

Today, American Indian Tribes face another chapter in their sad history of resource dispossession. A few powerful gaming and resort giants would take the gaming resource away from the Indians. If you let this happen, if you permit still another economic base to be taken away from the tribes, you will see tribes which are now succeeding at economic independence pushed back on welfare and other entitlement programs. Congress will have to provide even more funding for Native American social economic programs. Who will benefit from this? Not the mainstream of America. Not the American taxpayer. Not only will they not benefit, they will be further burdened by the taxes that will be needed to make up gaming revenues lost to the Tribes.

Who will benefit? Only a few wealthy casino and resort owners will benefit through the provision of exclusive gaming rights.

The issues surrounding Indian gaming are really quite simple. Pull the economic rug out from under the Tribes again, so that they will not be a threat to those who seek to monopolize gaming, and you will force American taxpayers to take up the slack in what will probably ultimately result in close to a billion dollars in revenues lost to the Tribes.

There is hardly a state or major city that has not wrestled with the so-called "moral" issue of gaming. Almost every state and major city has some type of revenue generating lottery. Today, lotteries are looked upon as a revenue generating mechanism which take the place of lost federal Revenue Sharing funds. The cities and states use these gaming funds to fill gaps in their education and other domestic program budgets. This is exactly what the Indian Tribes are doing with their gaming revenues.

Cutting back on Indian gaming will clearly give a preference to powerful gaming resort owners. The question is simple and the choice is clear. We can support Indian gaming and economic self-sufficiency or in effect subsidize competing gaming resort owners at the expense of taxpayers.

To demonstrate the positive impact of gaming on Native Americans, Mr. Chairman I would like to describe for you the story of the Morongo Band of Mission Indians and the social and economic gains that have been possible due to our casino revenues.

The effective implementation of the Indian Gaming Regulatory Act of 1988 ("IGRA") is extremely important to us as an economic development vehicle. The Morongo Band, as you will see from our testimony, has been transformed from a disadvantaged tribe into an economically independent tribe which contributes jobs and financial resources to the State of California and the surrounding non-Indian communities because of our well-managed entrepreneurial success with recreational gaming.

I. History of the Morongo Band

The Morongo Band includes about 1,000 tribal members. The Morongo Band's reservation is located in the Coachella Valley in California just west of Palm Springs, California and covers 32,000 acres overlooking the desert floor. The Morongo Band reservation contains no natural resources which could be exploited to benefit the community economically.

Like many other tribes of California Indians, ancestors of the present Morongo Band signed a treaty with the United States in 1852, the Treaty of Temecula. However, this

treaty was never ratified by Congress, apparently due to the influx of White settlers caused by the Gold Rush and pressure exerted at the federal level. Subsequently, in 1865, President Grant set aside the present Morongo Band reservation by Executive Order, but the reservation remained unsurveyed and had no official status for many years. This state of affairs left the Morongo Band landless and without rights under California law. Our Tribe was desperate, poor and greatly reduced in number by the White settler's diseases. Due to these diseases, the number of tribal members fell from 5000 to one family group consisting of less than 200 members in less than 70 years.

Unfortunately, for the remaining members of the Morongo Band, the lands taken into trust by the federal government did not include those lands with access to surface water, such land was excluded from the reservation. Consequently, Band members had to travel many miles into the canyons in order to get access to the water necessary to sustain daily life. It was not until the 1930s that an open ditch irrigation system was put in place on the reservation with tribal labor. As a result, the Band was able to cultivate crops instead of foraging for food as had been required up to that time.

In 1934, Congress passed the Indian Reorganization Act, making it possible for the Morongo Band to organize and direct their own tribal government. Only during the last 30 years have reservation residents had access to electricity, indoor plumbing and potable water. Prior to that time, reservation residents relied on the open irrigation ditches for their drinking water, as well as all water for other domestic purposes.

II. Economic Status of the Morongo Band Today

The Morongo Band operates one of the oldest Indian recreational gaming facilities in California, Casino Morongo. The Morongo Band began offering recreational gaming (Class II gaming) in 1983 by opening a bingo hall which employed 100 persons, until a new card room was added in 1992. Since the 1992 expansion of Casino Morongo, the Morongo Band continues to offer Class II gaming. Now, Casino Morongo provides jobs for more than 300 people, two-thirds of whom are non-Indian residents of the surrounding desert cities. The Morongo Band is at present the second largest private sector employer of the Banning-Beaumont region and a major contributor to the economies of the surrounding non-Indian communities. Casino Morongo is also the major source of employment on the reservation, employing 100 tribal members.

Over the past fiscal year, Casino Morongo has generated \$4.5 million in payroll, another \$750,000 in payroll taxes and over \$8 million in revenues to the local desert valley economy through the purchase of goods and services from local merchants. Prior to contracting with an established management

firm, the Morongo Band's bingo operations operated marginally and did not contribute as significantly to the local economy.

Proceeds from the gaming operation have been used to improve the standard of living of the families of the Morongo Band through per capita distributions, make improvements to the reservation infrastructure and provide funding for tribal government operations. The Morongo Band has adopted an economic plan conforming the IGRA to provide economic development, necessary tribal services and per capita income distributions.

Tribal government operations are funded 95% by gaming revenues and include such expenses as administrative costs, office equipment and utilities. Gaming revenues also provide funding for reservation programs: a senior citizen program (100%), a library, including computers (80%), a pre-school (100%), a fire department (100%) and a scholarship fund for tribal members seeking to go to college (100%). Without gaming revenues these programs would have to be discontinued.

The Morongo Band is further empowered by its gaming revenues to provide tribal members with many free services including water delivery and trash pick-up. Prior to the advent of gaming, the domestic water system on the reservation was inadequate to meet the needs of the increasing population. Gaming revenues financed the refurbishment of one well and the establishment of additional well on the reservation.

The Morongo Band's dependence on federal funds has decreased from over \$500,000 per year prior to gaming to virtual self-reliance currently due to the development of successful gaming operations. The Morongo Band makes supplemental payments to the families of its members twice a year from gaming revenues. Moreover, this is the first time in our history that more than one adult family member from each reservation family has been employed concurrently.

Gaming gives our people a realistic opportunity to attain a standard of living comparable to the non-Indians of neighboring communities. The reservation poverty rate prior to 1983 was 90%. Reservation poverty declined to 50% after gaming operations commenced and continues to decline. Our unemployment rate was 72% before 1983 and now is down to 25% and continuing to decrease. The alcoholism rate on the reservation has declined by 10% as more people become aware of the employment opportunities available through Casino Morongo. Today, 35% of the tribal work force is engaged in work at Casino Morongo. The salary structure of the Casino is 20% higher than other similar enterprises offer, which adds to the improving standard of living of our people and their improving self-esteem. By providing jobs in one of the highest unemployment areas, the Morongo Band has saved the State of

California over \$250,000 per month in support payments to employees.

The Morongo Band's economic development committee makes recommendation to the Tribal Council regarding uses of the gaming revenues. The Tribal Council has determined by resolution to reinvest proceeds into the expansion of the gaming facility.

In the future, in accordance with the Band's economic development plan and the Tribal Council's mandate, we will continue to use the funds generated by gaming to fund educational programs, academic scholarships, community services and improvements to the infrastructure on the reservation.

The Morongo Band has entered into a contract with a highly reputable management group, EC Investments, USA, Inc. (doing business as "Great Western Casinos") to manage the gaming facility. Great Western Casinos is headed by Ira Englander who has a 25 year history of developing successful programs for Native Americans. This management group has, within one year, turned Casino Morongo from a moderately successful bingo parlor into a profitable "casino" type enterprise. The Casino is policed by a tribal security force and runs a very tight operation which is recognized by local law enforcement officials. In addition, Great Western Casinos have instituted a financial system which provides daily audit reports on all gaming activities.

III. The Cabazon Case

It was the Morongo Band's joint lawsuit with the Cabazon tribe that pioneered the landmark Supreme Court decision which formed the basis of the Native American gaming industry in the United States.^{1/} The Supreme Court in the Cabazon case held that Indian gaming did not violate the public policy of California due to the State's widespread tolerance and encouragement of gambling as manifested in the presence of a state lottery, pari-mutual horse racing and numerous private bingo halls.^{2/} The Cabazon court also held that the State's interest in preventing the infiltration of organized crime into tribal bingo enterprises did not justify state regulation of tribal bingo enterprises in light of the compelling federal and tribal interests, including self-determination and economic development of the tribes.^{3/} Further, the Cabazon Court held that the State could not point to any

^{1/} California v. Cabazon Band of Mission Indians, 480 U.S. 202 (1987).

^{2/} Id. at 209.

^{3/} Id. at 223

present criminal activity in either the Morongo Band or the Cabazon Band recreational gaming operations.^{4/}

IV. The Morongo Band's Regulation of Reservation Gaming

The operations of Casino Morongo are safeguarded to ensure today that no criminal element is participating in the Morongo Band's gaming activities in accordance with the IGRA. The Morongo Band has passed a gaming ordinance (Ordinance 2B-04) which regulates the operation of all gaming activities on the reservation. This ordinance sets higher standards regulating the administration of gaming activities than the IGRA. All contracts for supplies, services or concessions in excess of \$25,000 annually are subject to an independent audit.^{5/}

Casino Morongo has instituted standardized hiring criteria and an interview system to ensure that background investigations are conducted on its primary management officials and key employees prior to employment and that such officials and employees are subject to ongoing tribal oversight.^{6/} Every employee is pre-screened and submits to drug testing prior to employment and random drug testing during the employment term. All primary management officials and key employees are licensed by the tribe after successfully meeting employment criteria and background check standards, including a background investigation by the Federal Bureau of Investigation. The National Indian Gaming Commission is notified of the results of all background checks and of all tribal licenses issued.^{7/} Those potential employees whose background report indicates any suspect information are not hired.

Additionally, the Morongo Band is subject to the regulatory and investigative powers of the National Indian Gaming Commission, which regulates Class II gaming under IGRA, and to the criminal laws of California under P.L. 280 and the federal Organized Crime Control Act.

^{4/} Id.

^{5/} 25 U.S.C. § 2710(b)(2).

^{6/} Id.

^{7/} Id.

V. Indian Regulatory Gaming Act Issues

A. Native Americans Have Successfully Engaged in Recreational Gaming Activities Prior to the IGRA

Native Americans had successful large-scale recreational gaming operations 10 years prior to the enactment of the IGRA. Due to the tribes lack of resources, recreational gaming offered an opportunity to generate the revenues necessary to provide essential services to tribal members. As demonstrated in the Cabazon case, the United States Supreme Court found that California's gambling laws are civil-regulatory laws, not criminal-prohibitory laws. Therefore, California could not enforce these laws to prohibit tribal gaming on a reservation under the criminal jurisdiction over Indian Country given to California by Congress under P.L. 280.

B. Current Effectiveness of the IGRA

The IGRA is well-balanced legislation which is working effectively and should not be amended without a showing of substantial need. Under IGRA, tribal gaming is accomplishing the Congressional goal of promoting tribal economic development, self-sufficiency and strong tribal governments.^{8/}

Congress made clear, both in the text of the IGRA and the legislative history, that the tribes possessed broad rights to conduct Class II type gaming of the sort the states allowed any person to conduct and for any reason permitted by the states. State interests are carefully preserved in the IGRA through the state-tribal compact process for Class III type gaming.

C. Gaming Contributes to the Economic Stability of Tribes and is Not Operated for Commercial Gain

Gaming on the Morongo Band's reservation is not operated by the Tribe for commercial purposes. Gaming is a means to improve the standard of living for Morongo Band tribal members.

8/

Since the passage of the Indian Reorganization Act of 1934, Congress has passed legislation such as the Indian Self-Determination and Education Assistance Act, P.L. No. 93-638 (1975), the Indian Financing Act, Pub. L. 93-262 (1974) and the Indian Child Welfare Act, Pub. L. No. 95-608 (1978). Through these statutes, Congress has adopted a policy of not only recognizing but also promoting Indian self-determination, tribal self-government and economic self-sufficiency for Native American tribes.

The Morongo Band tribal government, as a sovereign entity, has the same responsibility for the lives and well-being of its citizens as do state and local governments, including providing for housing, medical, nutritional, education and job training needs. However, the Morongo Band tribal government does not have the same resources and tax-base as local and state governments.

Therefore, limiting or curtailing gaming in Indian country would cut the Morongo Band off from a major source of tribal revenue. The effect would be to deter the Morongo Band's economic development and the frustrate the articulated federal goal of promoting "meaningful self-determination" in favor of powerful gaming interests. In practical terms, such a suppression of Indian gaming would cost the federal government and the taxpayers millions in funding for support of Tribal members.

D. Native American Tribes are not Empowered to Unreasonably Acquire Lands for Gaming Purposes

The Secretary of the Interior has decreed that no Indian tribe may acquire land in trust for gaming purposes unless that tribe already has land in that state. The Secretary of Interior has complete authority under existing law to approve, modify or reject any request to take land owned by Tribes into trust for gaming on off-reservation lands. Therefore, any modifications to the IGRA to give governors veto authority over off-reservation land acquisitions would be a nonconsensual diminishment of tribal sovereignty. By retaining decision-making authority in the Secretary, tribal and state interests can both be protected through a balancing approach to decision-making.

E. Native American Tribes Have Successfully Operated Recreational Gaming Without Intervention of Organized Crime

Native Americans had successful large-scale recreational gaming operations 10 years prior to the enactment of the IGRA. The Morongo Band has an ordinance that governs the operations of the Morongo Casino to ensure that gaming on the reservation is properly conducted. The revenues to be generated from our recent expansion will be used by the Tribe to provide necessary governmental services to the Tribe, such as funding educational programs.

The Morongo Band has demonstrated that it has the ability to police itself and fulfill the policy of meaningful self-determination by regulating reservation gaming activities. In

1990, the Morongo Band brought suit in federal court to enforce its ordinances regulating gaming on the reservation.^{9/}

F. Recreational Gaming Contributes to the Economic Development and Stability of the Tribes and Contributes to the Economic Health of the Surrounding Non-Indian Communities

The most important benefit of the IGRA is economic development. Our Tribe does not possess an abundance of natural resources, and the ability to attract tourists and non-Indian residents of the surrounding area is a feasible way for our Tribe to stabilize our economy. Recreational gaming revenues are an important source of Tribal income, independent of federal government aid.

Tribal gaming is the first program of reservation economic development to have worked on a large scale, and it has done so with virtually no expenditure of taxpayer dollars. Under IGRA, any state regulatory expenses are to be reimbursed by the tribes. Whatever infrastructure costs may be incurred in improving access to reservation with gaming facilities are more than offset by increased sales tax revenues and business activity in the surrounding communities.

A pattern emerges, when one looks at Native American tribes overall. Those tribes which have abundant natural resources appear to have little interest in conducting gaming activities. The Morongo Band uses the gaming revenues to provide a decent standard of living for our members and provide necessary services like water and solid waste management. Additionally, recreational gaming makes it possible for the Morongo Band to contribute to the hard-pressed local economy by hiring non-Indian local residents and purchasing goods and services from local merchants.

G. Conclusion

The IGRA balances federal, state and Native American interests practically and fairly. The implementation of IGRA has only begun and has already positively resulted in the promotion of tribal economic development, self-sufficiency, strong tribal governments and benefits to the non-Indian community. We believe that the Congressional scheme embodied in the IGRA will prove more beneficial to all parties in the future.

^{9/} See, Morongo Band of Mission Indians v. Rose, 893 F.2d 1074 (9th Cir. 1990) The Morongo Band sued in federal court to enforce its tribal ordinance prohibiting unauthorized bingo operations on the reservation.

In the event that Congress initiates a process of re-evaluation of the IGRA, at a minimum, we urge that the following factors be considered:

1. Tribes, such as the Morongo Tribe, which have already established and invested time and tribal resources in currently operating casinos should not be penalized because of their reliance on the IGRA.
2. Electronic or computer video (i.e., "pull-tab") games which are essentially technological aids to poker or bingo should be treated as Class II gaming.
3. Any revision of the IGRA should offer Indian tribes a reasonable opportunity to promote their economic development consistent with tribal sovereignty and state law.

In closing, I want to assure you that we are taking all the necessary steps to ensure that our attempt to become and remain self-reliant is successful in the American tradition.

Cow Creek Band of Umpqua Tribe of Indians

Sue Shaffer, Chairman
Wallace Rondeau Jr., V-Chairman
Carla Swanson, Secretary
Dorothy Yeust, Treasurer
Gary Jackson, Sgt.-at-Arms
Leland Van Norman
Naomi Gould
George T. Rondeau
Tom Rondeau, Sr.
James Estabrook
Stephen R. Jackson

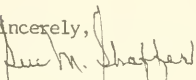
June 25, 1993

Congressman Bill Richardson
Chairman
Sub-Committee on Native American Affairs
1522 Longworth Building
Washington, D.C. 20515

Dear Chairman Richardson:

I would like to have the attached material entered into the record of the June 27, 1993 hearing relating to the proposed amendments to the Indian Gaming Regulatory Act at Green Bay, Wisconsin.

In view of the continued unjust attacks on Indian gaming, I believe that the Cow Creek statements of positive support for our gaming operation in Canyonville, Oregon has a strong statement to make in behalf of tribal gaming.

Sincerely,


Sue M. Shaffer
Chairman
Cow Creek Band of Umpqua
Tribe of Indians

2400 Stewart Parkway, Suite #300
Roseburg, Oregon 97470
(503) 672-9405



BILL BRADBURY
Senate President
OREGON STATE SENATE
SALEM, OREGON
97310-1347

June 23, 1993

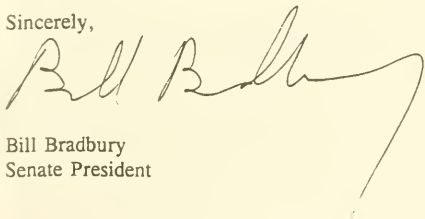
Sue M. Shaffer, Chairman
Cow Creek Band of Umpqua Tribe of Indians
2400 Stewart Parkway, Suite #300
Roseburg, Oregon 97470

To Whom it May Concern,

The Cow Creek Band of the Umpqua Tribe of Indians has done a superlative job of running their Indian Gaming Center in Canyonville. They have been in operation for over a year with no unpleasant incidents and no law enforcement problems reported. They have furnished 40 jobs and have the potential to create many more. These jobs are not timber dependent which is very important at a time when timber dependency is a real hardship for many families and working people.

The tribe has done a commendable job of operating their Gaming Center, and I fully endorse their efforts to expand the Gaming Center and related activities in the Canyonville area.

Sincerely,



Bill Bradbury
Senate President

BB:bb:js





BILL MARKHAM

SPEAKER PRO TEMPORE
HOUSE OF REPRESENTATIVES

June 22, 1993

To Whom It May Concern:

I have served in the Oregon Legislature for twenty years and presently act in the capacity of Speaker Pro-Tempore in the House of Representatives.

The Cow Creek Band of Umpqua Tribe of Indians is in my legislative district, 46. I have supported their progressive efforts through the years and was early informed of their intent to enter into a gaming enterprise in Canyonville, Oregon. I truly support the gaming center for economic development; not only for the tribe but for the good of Douglas County as well. The tribe has furnished employment to the surrounding residents and has been a stimulus to many businesses in the area.

The Cow Creeks have successfully worked through the compacting process with the State of Oregon as provided for by the Indian Gaming Regulatory Act (IGRA), and presently has the only Class III gaming compact within the State.

In the over one year of operation of the facility, there have been no problems and no complaints.

I have assisted the tribe in many ways and will continue to do so. Once again, I support this economic venture.

Sincerely,

Representative Bill Markham

DOUGLAS NORTH JOSEPHINE AND NW JACKSON COUNTIES
DISTRICT 46

STATE CAPITOL, SALEM, OREGON 97310-1347

Phones: Salem 578-8790 Riddle 874-2834

PO Box 700 Riddle, Oregon 97469



BOARD OF COMMISSIONERS

DOUG ROBERTSON

DORIS WADSWORTH

JOYCE MORGAN

 Courthouse • Roseburg, Oregon 97470 • (503) 440-4201

June 14, 1993

To Whom it May Concern:

We support the Cow Creek Gaming Center in Canyonville. It has had a very positive impact on the economy of the area with not one single unpleasant incident.

It has furnished 40 jobs to date and if allowed to expand has the potential to create many more. With the growing problems in the timber industry it is essential we support diversification in south county.

This positive economic impact on various businesses is being recognized more all the time and should continue to be significant, particularly during the coming tourist season.

We support what the tribe is furnishing Douglas County in an economic way, and with their record see nothing but benefits ahead for this operation.

BOARD OF COMMISSIONERS
OF DOUGLAS COUNTY

 Joyce Morgan, Chair

 Doug Robertson, Commissioner

 Doris Wadsworth, Commissioner



- CITY HALL -

- CITY OF CANYONVILLE -

PHONE (503) 839-4258 FAX (503) 839-4680

P.O. BOX 765, CANYONVILLE, OREGON 97417

June 4, 1993

TO WHOM IT MAY CONCERN:

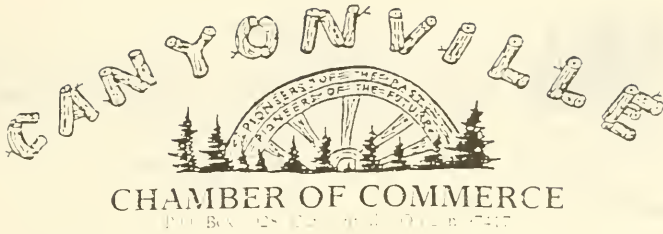
The Cow Creek Band of Umpqua Tribe of Indians have been operating a gaming center just north of the Canyonville City limits for a year now. This has been time enough to realize the impact on our community and we have seen nothing but a positive influence. The Cow Creeks have stimulated the local economy by the payroll of their operation (40 jobs) and by their suppliers and a considerable number of individuals who conduct business with the tribe. However, by far the largest benefit to the local community is from the patrons of the gaming center who spend time in Canyonville. The economic impact on various businesses is being recognized more and more. We feel it will be particularly significant during the coming tourist season.

The city police are welcome at the facility and do patrol it. There have been no problems of any kind. Unlike most casinos, alcoholic drinks are not served. This makes a nice atmosphere with less likelihood of problems. There have been no gambling related crimes.

Since our community is timber dependent and many have lost jobs because of diminished allowable timber cuts on the Umpqua National Forest and Bureau of Land Management lands, the jobs created by the Indians are very important. The Cow Creeks are also working with the city to secure funding for the improvement and expansion of the city's water system. The City of Canyonville supports their efforts and anticipates continued benefits from their presence in the community.

Sincerely,

Mickey A. Moore
Mayor



June 10, 1993

To Whom It May Concern:

This letter is written in regard to the Cow Creek Band of Umpqua Tribe of Indians gaming enterprise. The Canyonville Chamber of Commerce has supported this establishment from its beginning concept as a sound economic development project. Our support of Cow Creek Bingo has not wavered.

The Cow Creeks have done what they told the community the intended to do. We have been kept aware of their progress from the beginning bingo opening through the compact process with the State of Oregon for the video terminals.

This facility has been open for a year, providing a clean, pleasant place for folks from the local community and visitors to gather. People are comfortable in going there and feel secure. Our local police patrol at all hours and have had no reports of problems since the center opened a year ago.

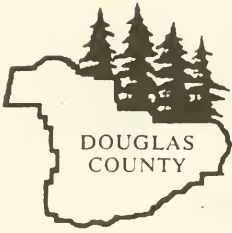
The Chamber recognized early the potential economic impact of the tribe's gaming venture on the community and local businesses. We continue to support the tribe's efforts as we have in the past, believing that their contributions to our economy are meaningful.

The motion to send this letter was passed unanimously at a regular meeting on Thursday, June 3, 1993.

Sincerely,

Frank W. Braudt

Frank W. Braudt
Secretary/Treasurer



DOUGLAS COUNTY SHERIFF'S OFFICE

Justice Building • Roseburg, Oregon 97470 • (503) 440-4450

JOHN H. PARDON
SHERIFF

June 9, 1993

RE: COW CREEK INDIAN GAMING CENTER
DOUGLAS COUNTY, OREGON

To All Interested Parties:

The Sheriff's Office supports the Cow Creek Indians in their gaming endeavor. When the tribe started to develop the gaming center plans, our office was contacted and several meetings were held to decide what impact this facility might have on the law enforcement community. Suggestions on providing security were made to the Cow Creeks and they have cooperated fully with our department. Since the facility opened on April 30, 1992, the Sheriff's Office has not been called out to any disturbances on the property.

Our community is being adversely affected by the timber crunch and Measure 5. The Cow Creek Gaming Center provides 40 jobs and brings in much needed revenue to Douglas County. We are hoping that more job opportunities will be generated by this facility in the future.

I have absolutely no problem with Indian Gaming and look forward to expansion of the Cow Creek Facility.

Sincerely,


JOHN H. PARDON
SHERIFF

lu

POLICE DEPARTMENT

CHIEF Donald E. Lyons



CITY OF CANYONVILLE

P O BOX 765 CANYONVILLE, OREGON 97417

IN REPLY PLEASE
REFER TO OUR
CASE NUMBER

RECEIVED JUL 16 1993

June 14, 1993

To Whom It May Concern:

To All Interested Parties:

The Cow Creek Gaming Center has been open a little over one year now. It has been a pleasure working with them during the planning, construction, and operating phases of the center.

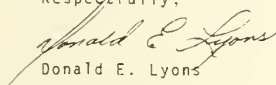
During the planning and construction phases, every effort was made by them to keep the law enforcement agencies informed, with several meetings being held with the State Police, Sheriff's Office, and this department. Any concerns that we may have had were quickly laid to rest as they do not serve liquor, their security system is well planned down to a well-lit parking lot.

Our officers are always welcome there. They are treated with respect and our working relationship is such that I have agreed to assign officers to work there as requested on holidays, such as we did on Memorial Day.

The Cow Creek Gaming Center is not only a clean, respectable entertainment center for people to visit, it has helped our community; providing jobs at a time when we, as a timber dependent area, are facing high unemployment. It is a definite asset to our community.

I wish them the best and hope they will be able to continue with their plans for expansion. A clean, well managed, attractive, and trouble free business such as this would be welcome in any community.

Respectfully,


Donald E. Lyons
Chief of Police



Umpqua Community College

Small Business Development Center

June 7, 1993

TO WHOM IT MAY CONCERN:

I am very happy to write a letter of support for the Cow Creek Band of the Umpqua Tribe of Indians and their pursuit of economic self-sufficiency.

I am aware of their long struggle to obtain the means to, not only become a recognized tribe, but to obtain financing for their entertainment center. They have not had anything handed to them, they have worked hard for every thing they have achieved.

Indeed, the new entertainment center in Canyonville, Oregon, has been a very positive influence in and around that small town which has to date been very dependent upon the timber industry. The Cow Creeks have been very instrumental in helping the diversification of that economy. I am convinced that that diversification will continue to grow.

I also must add that every organization, whether it be city, non-profit or county, that has had any experience with the Cow Creeks and its entertainment center, has been most supportive.

Thank you.

Sincerely,

Mr. Terry Swagerty
Director



744 S.E. Rose • Roseburg, Oregon 97470-3941 • Telephone 503 672-2535

Master
Host



Motor Inn

To Whom it May concern:

We operate a 98 room Hotel in downtown Canyonville.

We have found that since the Cow Creek Bingo-Video Gaming center has come to the area a definite increase in our occupancy.

It has done much to increase the flow of traffic and business to the entire city and surrounding area. Everyone is so enthusiastic about the Cow

Creek Gaming Center being here in this area.

We look forward to continued success for it and other business establishments.

Very truly yours,

Master Host Motor Inn

DEA Leisure Inn.

Jim Smith, Mgr.

CANYONVILLE
Located Off I-5 On Exit 98
554 S.W. Pine—97417
(503) 839-4278

MADRAS
203 4th Street (Downtown)
97741
(503) 475-6141

LAPINE
52560 Hiway 97
97739
(503) 536-1737

The SUNDAY News-Review

Established 1867



More photos by ANDREW KIMBLE

Bellingham resident Loretta Dwyer, left, and Kathy Parsons traveled to Canyonville Saturday to try their luck at the Cow Creek Indian Bingo hall. The tribe is celebrating the first anniversary of the gaming center, which it says is a gamble that is paying off.

Cow Creek gamble pays off

Tribe celebrates gaming hall's first year and is betting on a successful future

By PAUL H. BRAND
Of the News-Review

CANYONVILLE — It is Friday night at Oregon's first high-stakes Indian gaming hall and 450 people are crisscrossing the building playing bingo in teams and lining up to take a crack at the video poker machines.

There are good reasons for the Bingo Indian to join into the Cow Creek Indian's bingo hall. It is the first anniversary celebration of the tribe's gaming center.

Players are taking in \$500 bingo jackpot. Gifts ranging from free video televisions to cash prizes good for a month's free play are part of the evening's festivities.

Cow Creek Indian Bingo is a gamble that is paying off for the 830-member tribe as well as the players.

Since the 9,600-square-foot hall opened last year the parking lots have been full, despite Douglas County's depressed timber-dependent economy. In fact, the reputation of the tribe's Indian bingo and video poker center draws as many players from Oklahoma as from Oakland, or from Montana as from Medford.

That popularity signals new life for the future of the Cow Creeks, said Sue Shaffer, tribal chairman, the economic survival and independence of the tribe.

The Cow Creeks don't have a natural resource

reservation," Shaffer said. "We don't have millions of dollars coming from things like timber, or fish, or coal, or hydroelectric power, or oil."

Shaffer said the revenue from the gaming center not only pays for the hall's operating expenses, but is paying back the loan from the Bureau of Indian Affairs that paid for construction of the \$4.1 million building and parking lot.

"There was no fire ride when we built this gaming center," Shaffer said. "We are just now seeing light at the end of the tunnel where we can go into other businesses."

The Cow Creeks are discussing a 2,000-square-foot expansion of the hall by next spring. A river

See BINGO page A8

Bingo

CONTINUED from page A1

national vehicle park and motel at the site have been discussed, and the tribe is purchasing a 17-acre parcel of land for future growth.

The tribe already added 60 video poker machines in February.

Peter Iugenius, the hall's manager, said another 16 machines will be added soon and the hall is now operating seven days a week, 15 hours a day.

"We've watched this hall go from full to packed with the additional hours," said Iugenius.

Some communities might take a dim view of gambling in their civic backyard.

Canyonville has welcomed the Cow Creek's enterprise and the bingo it created, with openness.

"Indian bingo is really a nice addition to Canyonville," said

Michelle Muir, co-owner of The Feedlot Family Restaurant. "I was never skeptical of their plans and the tribe stuck to the guidelines they established when they proposed the bingo hall."

Unlike efforts by the Confederated Tribes of the Siletz to open a casino on land outside of their reservation near Salem, the Cow Creeks received virtually no opposition to their plans.

Local merchants said the games bring tourist dollars to a cash-hungry community.

So far, no gambling-related crimes have been reported, said Maeva Johnson, a spokeswoman for the Canyonville City Police, and the tribe has never objected to local police officers patrolling the reservation.

"If people say anything about the bingo hall it's about it

they enjoy the place," said Bert Pritchett, Canyonville deputy city recorder.

Shaffer said several factors influenced the successful negotiation of the compact allowing gaming. Government officials and tribal leaders agreed a bingo hall with video gaming did not constitute a casino; the hall is operated on the reservation, not off of tribal land; and no alcohol is served at the hall.

"Everything we have done (is) within the full confines of the law," Shaffer said.

The future of the tribe looks bright because of the success of the gaming hall, Shaffer said. It is a gamble on themselves that paid off.

"History tells you Indians are the greatest gamblers in the world — they

As Pass

Daily Courier

 Thursday
May 6, 1992

offices acked in states

I workers suspected

A third person was shot on a street nearby around the time the gunman fled, but it was unclear if the post office gunman was responsible.

"He tried to kill the postmaster, make his way into his office, but he didn't," said a mail-carrier who was related to give his name.

They were the latest in a series of post office shootings around the country in the past decade.

In the second such shooting in the Detroit area in 14 years, a gunman identified as Larry Jason, 45, walked into the Dearborn Post Office on May 3 before 9 a.m. and opened fire with two guns, said police Chief Donald Deneff.

Jason was found dead of a gun shot wound to the head in the post office building shortly after 9 p.m. Police had had no contact with him.

Jason had been upset that a job

Everyone a winner



ERIC BLUMENFELD/Courier

Gambler Bill Smendy entrusts a quarter to lady luck as he takes another chance on a slot machine at Cow Creek Bingo.

Gamble

From Page One

the remotest of the state, though the two must enter into a compact to regulate the operation.

Cow Creek Bingo is not just a bingo hall, however. Several of the gaming games here are found nowhere else in Oregon — legally, at least — including video blackjack and slots. And unlike the Oregon Lottery-run video poker machines found in taverns around the state, Cow Creek machines offer a cumulative jackpot that has risen as high as \$4,400.

That's a big draw. And on her birthday, Denise Davis wouldn't mind falling home the whopper, \$100,000, past \$222 on this afternoon.

She won \$750 a couple weeks ago. And the royal flush "and her husband Ed Davis, the electronic cards snapping down on his screen. "And that brings us out a little ahead."

But like in other all-gambling states, most people come out a little behind as far as they can see, he added.

Bingo takes place three nights a week, with the video games open all day. And regulars come from as far away as Portland, Medford and the coast for the big time games.

We have one lady from Coos Bay who stays for weeks at a time," said employee Randy Ingram. "Her husband just drops her off."

With gambling right up there with consulting and shivering at some people's list of transgressions, many residents were a bit wary when the operation was first proposed. The bingo hall seemed innocuous enough, but high-tech video games (which went in this winter), at a location just off Highway 101, caused concern. All for nothing, so far.

After the touching rush of media wheelers buying ice cream and soda at the Pioneer Deli, Rebecca Smith leaped on the counter and said the bingo hall had been looking but good for this town of 1,200.

"We get a lot of big town ladies and they think it's quaint," she said. "There's a lot to do around here without drinking and stuff. It's good, clean fun."

Even the chief of police, who admitted to early concern, agrees things have gone remarkably well — largely because, unlike most reasons there are no live drinks or drinks of any kind.

"They're not serving alcohol, and this is where a lot of your problems come in," Lyons said, adding, "It's just been an overall asset to the city of Canyonville."

According to Lyons, there may be another reason why everyone seems so pleased with Cow Creek Bingo. "Citizens tend to be friendly people."

Gaming hall gamble pays off

Canyonville residents, gamblers pleased with Cow Creek Bingo

By Eric Slaton

of the Cow Creek

CANYONVILLE — Like the sweet creek of a wooden hall it is baseball fans, so is the ring of a pouring river of quarters to the gambler.

"Like to hear that money fall," said a woman as who was hurriedly playing the slots at Cow Creek Bingo.

She had to settle for the equivalent of an ambulance but it stung, though the tick at a pricier rate, but not a slip of paper to take to the cashier.

Other than the lucky note, though, the bingo and video poker hall is just like the town, locals say. Only closer. And to many was better — without the accompanying stink about crime.

After a year in business, Canyonville residents and gamblers alike could hardly be happier with Oregon's only Indian gaming operation.

"It's been a well-planned, well-managed operation. We haven't had any problems out there," said Canyonville Police Chief Don Lyons.

Cow Creek Bingo was opened in tribal lands a year ago as a

way for the Cow Creek Band of the Umpqua Tribe to raise money and help support its 800 members. It is now the only gambling establishment in Oregon not regulated by the state.

Under the federal Indian Gaming Act of 1988, tribes can operate any game not "completely" prohibited under state law without

Turn to GAMBLE, Page 2A

Trump suit seeks to block tribal operations

By Eric Slaton

of the Cow Creek

CANYONVILLE — Residents of Canyonville and members of the Cow Creek band of the Umpqua Indian Tribe may be shrilled with their bingo parlor, but Donald Trump isn't.

The millionaire developer and owner of three Atlantic City casinos — Trump Casino, Trump Plaza and Trump Taj Mahal — has filed a federal lawsuit claiming the Indian Gaming Act of 1988 unfairly favors Indians in the gaming business.

The suit, which names Secretary of the Interior Bruce Babbitt and the National Indian Gaming Commission as defendants,

claims the act violates the 10th Amendment of the Constitution by requiring states to permit gambling but denying them the right to tax and regulate the games.

Under the act, Indians on tribal lands can sponsor games and "completely" prohibit the state without permission from the state. The two must, however, enter into a compact to regulate the games.

Berry Barrett, legal counsel to Gov. Bruce Roberts, said he just became aware of Trump's suit and didn't know details. But, he said, there is a long history and "revenue of information" about Indian rights, and the suit will almost certainly be a long time working through the courts.

"I'm sure there won't be any resolution

if it for quite some time," he said. Joe Shaffer, chair of the Cow Creek board of directors, also said the suit wasn't what effect the suit would have on the parlor, but neither was he surprised by it.

"The big gaming money from New Jersey and Nevada ... are out after the tribes," he said.

Saying Indian gaming represents only 1 percent of all gambling nationwide, Shaffer was angry about the attempt to spend what has become a loss in her community and a source of pride for her tribe.

"This land was ours," she said. "Why shouldn't the tribes have some little revenue something? Cow Creek we sacrificed enough."

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